

Weekend FINANCIAL TIMES

Weekend FT
When nationalism
turns nasty



The passions
of John Fowles



Sarajevo tunnels
to survival



SECTION II

World Business Newspaper http://www.ft.com

WEEKEND AUGUST 10/AUGUST 11 1996

UK police press for clampdown on Internet porn

UK-based Internet service providers look likely to bow to police pressure and voluntarily try to restrict access to pornography on the Net. The move comes as authorities in many parts of the world are trying to come to grips with illegal activities associated with the largely unregulated Internet. As in the US, where judges recently ruled that a law limiting pornography on the Internet was unconstitutional, the industry worldwide is divided over the issue. Page 24

Kohl plans to switch tax burdens German chancellor Helmut Kohl pledged to increase value added tax to pay for cuts in income tax as part of wide-ranging reforms planned for 1999. Page 2

German inflation edges up German inflation edged up again last month to an annual rate of 1.6 per cent, the federal statistics office said. Page 2

Kemp may be Dole's running mate Former Republican congressman Jack Kemp, 61, emerged as a possible running-mate for Bob Dole in the US presidential campaign. Page 24

London stocks recover from early losses The winning run of the FT-SE 100 index ended yesterday, but it still managed to end the week above 3,000. After seven consecutive daily rises, the Footsie fell 0.7 points to 3,010.7, but finished the week with a gain of 40 points. For a time yesterday, it seemed as if the fall was going to be more decisive and by lunchtime the index had lost 17.5 points as hopes of further interest rate cuts diminished. But even though Wall Street was fairly flat, the UK stock market managed an afternoon rally. Page 21; World stocks, Page 19; Markets, Weekend FT Page XVIII

Restructuring hits Unilever profits Anglo-Dutch consumer goods group Unilever reported flat pre-tax first half profits of £1.12bn (£1.7bn) after taking restructuring costs of £200m to cover integration expenses for Helene Curtis, the US maker of shampoos and other personal products acquired in February. Page 6; London stocks, Page 21; Lex, Page 24

Two more companies at Lloyd's The rapid restructuring at Lloyd's of London accelerated with the creation of two more listed Lloyd's "insurance companies" offering alternative vehicles for investors. Page 6

Heinz warns of earnings slip Shares in H. J. Heinz slipped 5% to \$33 in early trading after the US food group warned a meeting of food industry analysts that their earnings forecasts for the quarter just ended were looking over-optimistic. Page 5; World stocks, Page 19

Ulster peace call Business leaders in Northern Ireland called for a peaceful resolution of today's Londonderry march by the Protestant Apprentice Boys. Tensions eased after nationalist re-routed last night's planned counter demonstration. Page 24; Man in the News, Page 8

Italians shift living habits Italians are spending less on how they look and more on how they want to live. Less is now spent on food and clothing and more on housing and electricity, official figures show. Page 2

Jet engine pioneer dies Sir Frank Whittle, inventor of the jet engine, died in Maryland at the age of 90. He moved from Britain to the US in 1976. Page 4

Pakistan pile on runs Wicket keeper Moin Khan scored 106 as Pakistan made 448 in their first innings of the second cricket Test at Headingley, Leeds. England replied with 104-1 by the close. Sport, Weekend FT Page IX

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Fierce fighting in Grozny is further setback as Russian president is sworn in

Yeltsin ceremony marred by fresh health worries

By John Thornhill in Moscow

Mr Boris Yeltsin was yesterday sworn in as Russian president in a glittering Kremlin ceremony, at which he promised to lead his country into the next millennium.

But the triumphant celebrations to mark the inauguration of sovereign Russia's first democratically elected leader were marred by a further intensification of fighting in the breakaway region of Chechnya and continuing worries about the president's health.

As he swore to defend and respect Russia's constitution for the next four years, Mr Yeltsin appeared to have some difficulty with the presidential oath and failed to make the expected acceptance speech.

He walked stiffly as he entered the Kremlin Palace and his face was drained of expression throughout the truncated 17-minute ceremony.

But the president appeared in far more lively form at the post-inauguration celebrations, where he made a short speech and drank champagne during rounds of toasts to his health.

Mr Yeltsin thanked 3,000 Russian guests, the leaders of the Commonwealth of Independent States and foreign diplomats "for sharing the joy of today with me".

"We want prosperity and order in every town and village so that every Russian home will be better off, so that power will serve the people, and everyone will say to themselves with pride: I am a citizen of Russia," he said.

Mr Vladimir Zhirinovskiy, the ultra-nationalist leader who attended the inauguration, said: "He looked strong for a 65-year-old man. We have just sworn in a very good emperor."

But the celebrations in the Kremlin received scant coverage on television news bulletins compared with reports devoted to the fighting that raged yesterday in Grozny, capital of the southern separatist region of Chechnya.

At one point yesterday, a Russian military official said the situation in Grozny "was totally out of control". The fighting was reported to be as intense as it was during the

bloody storming of Grozny in December 1994.

According to Russian news agency and television reports, thousands of rebels launched a raid on the devastated capital on Tuesday after a pre-election ceasefire agreement fell apart. The determined separatists have since seized large parts of the city and have forced Russian forces as they have attempted to reinforce their beleaguered garrison.

Mr Yeltsin made no mention of Chechnya yesterday, although Mr Victor Chernomyrdin, the prime minister, met senior Russian officials to discuss the situation and vowed everything would be done to save lives.

Russian news agencies said officials from both sides were discussing a temporary ceasefire to allow civilians to be evacuated from Grozny.

After the inauguration, Mr Yeltsin immediately renominated Mr Chernomyrdin as prime minister. His candidacy will be discussed today by the lower house of parliament.

Joyless inauguration, Page 2



Boris Yeltsin appeared to have difficulty in pronouncing the presidential oath when he was sworn in yesterday as Russian leader at a glittering ceremony in the Kremlin. Photo: Reuters

ANC warns police to quell S Africa violence

By Roger Matthews in Johannesburg

South Africa's ruling African National Congress warned of "catastrophic consequences" if police did not swiftly move to quell the continuing threats of violence in the country.

The warning came just hours before a massive police hunt was sparked by the abduction by armed men of three men, believed to be for-

signers, who were being driven in a minibus taxi in Johannesburg.

The driver, who was not taken by the hijackers, said the three passengers spoke with strong British accents and the assailants addressed him in Zulu. The minibus was later found in the township of Alexandra.

A mass demonstration against crime is planned tomorrow by members of the Muslim community who six days ago took the law into their own hands by attacking and killing a

suspected drug dealer. The ANC said the police, who took no action to prevent the murder, must restore the rule of law as a matter of urgency.

Police units were brought in from outside Johannesburg yesterday to assist in the search for the missing men, who were travelling from the international airport to a hotel in the northern suburbs when they were attacked. Although armed hijacking of vehicles is common in Johannesburg, a police spokesman said the

men's disappearance was "a new and sinister development".

Mr George Fivaz, the national police commissioner, who is to meet Muslim leaders of the People Against Gangsterism and Drugs (Pagad) in Cape Town today, said the organisation had considerable support. "I believe we are dealing with a manifestation of the righteous anger of a crime-battered community," he said. But he urged Pagad to work with the police "before it was too late". The

ANC statement, however, expressed scepticism about the police role in Cape Town. It urged them to discover why the communities there believed the police were ineffective, and why some people thought they were colluding with gangsters.

"Urgent steps to rid communities of police members implicated in assisting gangsters are necessary, and

Continued on Page 24
Death in the Cape, Page 6

German steel group chief arrested in fraud probe

By Michael Lindemann in Bonn

The chief executive and nine other managers of Thyssen, the leading German steel and engineering group, have been arrested by prosecutors investigating alleged fraud during the privatisation of a former East German metals company.

Thyssen yesterday said the arrests were "absurd" and threatened to take legal action against prosecutors. Mr Dieter Vogel, chief executive of the Düsseldorf-based group, which is one of Germany's top 15 listed companies, was released after a bail payment of DM2.5m (\$1.7m).

Eight other executives were also released following pay-

ments by Thyssen of between DM300,000 and DM2m, while Thyssen shares fell DM5.45 to close at DM262.20 as news emerged of the arrests. A spokesman for the Berlin public prosecutor, which is conducting the investigation, said the nine Thyssen executives arrested on Thursday must get prosecutors' approval for any trips outside Germany.

The arrests at Thyssen and the searching of the company's offices are the most striking events in a series of alleged wrongdoings by German executives recently. The former chief executive of the bankrupt Bremer Vulkan shipping group was arrested in June, and a former executive of the Klöckner-Humboldt-

Deutz engineering group was arrested earlier this week.

Probes are also under way against executives at Daimler-Benz, Germany's biggest company, and Volkswagen.

Berlin prosecutors said the Thyssen arrests related to the company's 1994 takeover of AHB-Metallurgiehandel, a former East German agency trading metals and steels. Executives are alleged to have inflated the costs of training for personnel at the agency and to have manipulated the balance sheets by DM75m, the prosecutors stated. However, Thyssen described the arrests as an "absurd chain of events". Earlier investiga-

Continued on Page 24

STOCK MARKET INDICES			
FT-SE 100	3,010.7	(-0.7)	
Yield	4.10		
FT-SE Eurotrack 100	1,657.89	(-0.08)	
FT-SE-A All-Share	1,894.88	(same)	
Nikkei	20,951.05	(-190.29)	
New York S&P 500	4,719.86	(+0.37)	
S & P Composite	862.82	(+1.23)	
US LIGHTHOUSE RATES			
Federal Funds	6 3/4%		
3-m Treas Bill	Yield: 1.24%		
Long Bond	100 1/2		
Yield	6.704%		
NORTH SEA OIL (Argon)			
Brent Dated	\$20.05 (20.01)		
LONDON MONEY			
3-m benchmark	8 1/4%	(same)	
Life long gilt	8 1/4%	(Sep 1997)	
GOLD			
New York Comex (Dec)	\$368.5	(364.4)	
London	\$367.7	(363.2)	
STERLING			
New York Larchline	1.569		
London	1.565	(1.569)	
DM	2.397 (2.399)		
FF	7.812 (7.807)		
Sfr	1.885 (1.879)		
Y	167.284 (167.613)		
T Index	84.5 (84.8)		
Y Index	98.1 (98.2)		
Tokyo close	Y 108.15		
DOLLAR			
New York Larchline	DM 1.4778		
FF	5.0986		
Sfr	1.2066		
Y	108.135		
London	DM 1.4794 (1.4849)		
FF	5.0940 (5.0995)		
Sfr	1.2038 (1.2111)		
Y	108.116 (108.16)		
S Index	98.1 (98.2)		

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Perot answers a longing for choice

Patti Waldmeir in Macomb County where mavericks win votes

It is increasingly rare to find a voter in America who regards either mainstream presidential candidate with enthusiasm. Some will vote reluctantly for Mr. Bob Dole, and others will opt dispiritedly for President Bill Clinton. But many, perhaps most voters, wish silently or volubly for a different choice.

They are the stuff of dreams for Mr. Ross Perot, whose Reform party - the first serious national third party to emerge in America in decades - begins its presidential nominating convention tomorrow in California. The ultra-wealthy Texan will duel for the nomination with Mr. Richard Lamm, former governor of Colorado, at a kind of cyber-convention with a small central gathering broadcast live to meetings across the country by closed circuit television and computer modem. By next Sunday, Reform party voters will have chosen - by e-mail, post and telephone - their nominee.

Such voters are as easy to caricature as Mr. Perot himself. In their more extreme and quotable forms they are the drop-outs of American political life, convinced that there is a national conspiracy of special interests to subvert the country's democracy, not to mention an international plot by America's trading partners to

undermine the balance of payments.

But that caricature masks a strain of asceticism, idealism and naive optimism which runs just as strongly through the Perot camp - nowhere more strongly than in Macomb County, Michigan, famous for maverick voting long before Mr. Perot chose to make himself the county's favourite maverick. Though he polls only in low double figures nationally, in Macomb County a leading company of Michigan pollsters puts his support at 21 per cent. In 1992, many of the "Reagan Democrats" who made Macomb County famous voted in fact for Mr

democracy, nor more crucially absent from American political life.

Others said they wanted a party which would tackle the hard issues of social security and Medicare (social health insurance), which lurk in the shadows of the political debate but are almost never mentioned by polite candidates in public. One young man, an engineer, said he would vote for Reform simply because he was still young enough to believe such a thing was possible.

Soma in the room were extreme economic nationalists, not an unusual breed in a car industry town where

the labour unions are dominant and free trade is viewed as a scam to defraud American workers. But many others could only be described as centrists: fiscally conservative, socially moderate or even liberal, seekers of a middle way.

It may be too soon to say whether Mr. Perot - the Reform party's almost certain nominee - can convince millions of such voters that he is the third way. According to two opinion polls pub-



Perot: nationwide support fallen to 10 per cent

lished on Thursday, his support has fallen to only 10 per cent nationwide. In 1992 he inadvertently delivered some crucial states (such as Michigan) to the Democrats by taking votes from former President George Bush. Today, according to the latest polls, he would be irrelevant to the outcome unless the gap between Mr. Clinton and Mr. Dole narrows considerably.

Mr. Clinton would sacrifice some voters to the home-spun Texan - some Democrats, and some independents and Republicans who plan to vote for him because they cannot bring themselves to choose Mr. Dole. (Polls show that there are fewer Dole voters than there are Republicans, a sure sign that some party members plan to abstain or vote for Mr. Clinton.) But Mr. Perot would also split the anti-incumbent vote, taking away votes from Mr. Dole as well. Either way, Mr. Clinton would win handsomely.

Those figures may change, once Mr. Perot starts spending money promoting his candidacy. He spent more than \$60m on the 1992 campaign; this time he has yet to pay for his first so-called "infomercial". But he may find it harder to sell his revolutionary message now - because the other parties have stolen his revolution. Some of his favourite 1992

campaign issues - especially deficit reduction and welfare cuts - have been colonised by his rivals.

Back in Macomb County, this is seen as a victory. "We WANT them to steal our issues," said Mr. Don Apfel of the county Reform party. "You have to give Perot credit for getting the dialogue changed at national level. The president is now talking about the deficit and the debt, and when Dole promises tax cuts, people

Sumitomo NY commodity link severed

By Erika Tarszono in Tokyo and Kenneth Gooding in London

Sumitomo Corporation, the Japanese trading house, yesterday revealed its US commodities trading affiliate had sold its New York Commodity Exchange membership.

The group denied this move by Sumitomo Corporation Futures, a metals broker based in New York, was connected with the \$1.8bn of losses it claims it suffered because of unauthorised trading by Mr Yasuo Hamanaka, its former head of copper trading.

Sumitomo refused to comment on the search of homes in the south of England by the UK police and fraud investigators as part of their inquiry into the copper losses. "Not commenting on their investigations is our policy. We are not going to change that stance," an official insisted.

The announcement that the group had sold its Comex membership comes at a time when Japanese companies are cutting exposure to commodities trading, especially in copper and other metals, in the wake of the Sumitomo scandal. Sumitomo also refused to say who bought the Comex

membership, but said the brokerage affiliate, set up in 1991, had generated very little revenue because it was not very active.

The Winchester Commodities group, which acted for Sumitomo in the copper market, confirmed houses in Hampshire searched this week by the UK Serious Fraud Office and City of London police belonged to Mr. Charlie Vincent and to the wife of Mr. Ashley Levett. Mr. Vincent and Mr. Levett are joint owners of Winchester, which last year paid them \$15m (\$23.4m) each because of copper trading successes, but are no longer directors as they live in Monaco for tax reasons.

In a recent interview with the Financial Times, Mr. Levett and Mr. Vincent insisted they would give every assistance to regulators probing the Sumitomo affair. "We're very much here. We're not lying under a paving stone in Monaco," said Mr. Vincent. They also suggested Mr. Hamanaka was not acting alone, and that important copper trades were approved at board level by Sumitomo.

The trading house is putting together a 60-strong team, including legal and accounting experts from the US, to investigate the affair.

The following conversation was cited as an example of trading traders agreeing to delay the reporting of a sale and disguise it from a customer:

Trader 1: I just sold 25 at 1/4, 1/4 for any part of whatever you want.

Trader 2: Oh, that's a beautiful, buddy.

Trader 1: ... I'd love to sell you 10, I see you one.

Trader 2: I bought 10 at 1/4, and don't put it in for.

Trader 1: See how I sold the guy? I'm just making a sale out of the blue, alright?

Trader 2: I'll, I'll print after the bell.

Trader 1: Thanks, bud.

Nasdaq dealers come under SEC scrutiny

By Richard Waters in New York

Transcripts of the hurried, offhand and often obscure telephone conversations between dealers in the financial markets never make very edifying reading. Often they betray a casual disregard for customers and a lack of care over the regulatory fine print that governs how markets should operate.

Even by the standards, though, the dossier built up by the Securities and Exchange Commission during its two-year investigation of the Nasdaq, the US's second highest stock market, makes for disturbing reading.

Among the jargon and the obscenities was widespread evidence, the SEC said, of a disregard for both the regulations of the market and the US's federal securities laws.

Among common transgressions, the market's dealers collaborated to maintain wider spreads between buy and sell prices than would have been the case under a fully competitive market, boosting their profits and making trading more expensive for investors.

The result was a typical spread of 1/4 for most stocks traded on the market, when a spread of 1/8 would have more accurately reflected what the SEC called "natural economic forces". Traders who stepped out of line and quoted narrower spreads, creating something known as a "Chinese market", were subjected to harassment.

Other common practices involved dealers co-ordinating the prices they quoted on the Nasdaq's screens, which showed the price at which they would buy or sell shares; failing to honour prices they had quoted when an investor wanted to trade; and deliberately delaying reporting their trades to the market authorities in order to keep information about the level and price of trades from customers and competitors.

In one conversation, contained in the SEC's report late on Thursday laying out the shortcomings, one dealer asked a rival to raise his price on the Nasdaq screen.

Trader 1: Can you go 1/4 bid for me? Trader 2: Yeah, sure.

Trader 1: If you want, I'll sell you two at 1/4, just go up there. I'm long them and I

want it going... Just go up there, okay? Trader 2: I'm going it, cuz.

At another point two dealers are quoted discussing a move by some firms, in the summer of 1994, to narrow their trading spreads on a handful of big Nasdaq stocks to 1/8.

That had followed much publicity given to an academic study which claimed spreads were maintained at artificially high levels, which in turn prompted the SEC's probe.

"It's the end of the business," one trader is quoted as saying. "It's the end of your profits. If you make 600 a month, you gonna make 400 a month." The other replies: "I'm sitting here with a knot in my stomach you can't imagine."

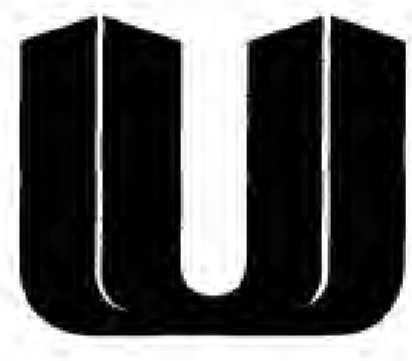
Failure of the National Association of Securities Dealers - the self-regulatory body regulating the Nasdaq market - to prevent abuses led the SEC to conclude that "significant changes to NASD and the Nasdaq market are warranted".

Some of those changes have already been made.

In consenting to the publication of the SEC's report this week - while, in the nature of such settlements, neither admitting nor denying any of its findings - the SEC's report is likely to bring new regulatory probes and intensification of legal actions already under way. The dealers avoided a criminal indictment recently when they reached a settlement with the justice department which will require, among other things, more frequent taping of dealers' conversations.

However, the new head of the NASD's regulation division, Ms. Mary Schapiro, who made her name as a zealous regulator of Chicago's free-wheeling futures markets, is likely to push ahead with her own actions against wayward dealers.

And lawyers who are seeking class action status for a lawsuit on behalf of investors in Nasdaq shares will be shuffling the SEC's report with glee.



Unilever

HALF YEAR

At constant rates of exchange sales increased by 8% to £16,493 million over the corresponding period of last year. Operating profit rose by 2% to £1,245 million. Before exceptional charges operating profit improved by 15%.

In the half year, net exceptional charges within operating profit were £108 million, compared with a positive net exceptional gain of £26 million in the first half of 1995. The planned restructuring costs in newly acquired businesses, notably Helene Curtis, account for £50 million of the costs charged in operating profit this half year. The balance of £48 million relates to restructuring in our existing operations and includes the costs on disposal of low margin businesses.

Net profit decreased by 4% to £680 million, with interest and tax costs higher than last year. At exchange rates current for each period, net profit fell by 3% in sterling and guineas and by 7% in US dollars.

BUSINESS PERFORMANCE

The trading environment in the various parts of the world in which we operate remained substantially unchanged. In Europe sales levels were maintained in the face of weaker demand in underlying economies. In Europe overall sales were flat. Underlying margins improved further in personal products and in our foods business. This improvement was due to cost reductions and portfolio rationalisation, as we disposed of low margin businesses, primarily in meat. Reported profits were unchanged despite the continuing impact of the BSE affair, the costs of ongoing restructuring and losses on disposals. Highlights included sales growth in beverages and prestige fragrances. In fabric

RESULTS £ millions	Half Year		Increase/ (Decrease)
	1996 (unaudited)	1995	
At constant 1995 exchange rates			
Turnover	16,493	15,243	8%
Operating profit	1,245	1,224	2%
Profit before taxation	1,125	1,120	-%
Taxation	(412)	(385)	
Minority interests	(33)	(25)	
Net profit	680	712	(4)%
At exchange rates current in each period			
Profit before taxation	1,130	1,115	1%
Net profit	684	708	(3)%
Combined earnings per share per 1p of ordinary capital	36.50 p	37.95 p	(3)%

detergents our position remained difficult in declining markets. In speciality chemicals there were signs of strengthening demand.

In North America a number of factors contributed to the increase in sales. Most significant were the contributions of the acquired businesses, Helene Curtis, Diversey and Gortons. As anticipated, the action taken in our beverages and culinary operations at the end of last year to reduce stocks in the trade had a positive effect on sales in the first half of 1996. Sales increased in margarine, fabric detergent liquids and personal care.

The reported improvement in profits reflects increases in margarine and detergents and the benefit from the elimination of year-end trade loading in foods. Margins improved, despite the short term effect of restructuring charges in Helene Curtis, as a result of cost reduction programmes.

In Africa and Middle East sales increased well, led by detergents and a good contribution from our newly acquired businesses. Profit growth was modest. Market conditions improved in the region towards the end of the period.

Asia and Pacific recorded good sales growth in all categories, particularly in India, Indonesia and China. Profits grew most strongly in detergents and personal products but this progression was more than offset by post acquisition restructuring costs for the local Helene Curtis operations and continuing investment in new markets.

In Latin America sales growth was excellent and widespread across the region. The performance of our Brazilian business was particularly noteworthy. Profits in ongoing businesses improved faster than sales. Reported profits included a loss on the disposal of an oil milling business in Brazil.

SECOND QUARTER

At constant rates of exchange sales improved 9% to £8,804 million over the corresponding quarter last year. Operating profit fell 5% to £681 million. In the quarter net exceptional costs of £92 million were charged to operating profit compared with a net positive exceptional gain of £14 million in the second quarter of last year. Before exceptional charges, operating profit improved by 10%. Net profit of £268 million, expressed at constant rates of exchange, was 12% lower than in the corresponding period last year.

At exchange rates current for each period, net profit was 11% lower in sterling, 9% lower in guineas and 15% lower in US dollars.

*Prior to 1995, acquisition restructuring costs were charged against profit retained in the balance sheet as part of the goodwill write-off. Last year, there were no material restructuring costs following acquisitions.

OUTLOOK

Turnover growth is expected to develop at a rate similar to that of the first six months. Excluding net exceptional charges, the positive margin development should be sustained.

CONDENSED BALANCE SHEET

£ millions	As at 30	As at 31
	June 1996 (unaudited)	December 1995
Fixed assets	8,876	8,856
Stocks	4,505	4,292
Debtors	5,477	4,724
Trade and other creditors	(6,642)	(6,699)
	12,216	11,173
Net debt	3,107	1,890
Provisions for liabilities and charges	3,265	3,303
Minority interests	364	359
Capital and reserves	5,480	5,621
	12,216	11,173

Net exceptional charges in 1996 are expected to be in line with the average of previous years and therefore the charges in the second half of the year will be lower compared to the second half of last year. Reported profits for the year should therefore be ahead of 1995.

The relative exchange rates of our reporting currencies in the first six months remained fairly stable. Assuming this situation continues, the overall impact of exchange rate movements on our results for the year will be limited.

BALANCE SHEET AND CASH FLOW

The main movement in the balance sheet over the half year is the increase in net debt by £1,217 million (1995: £831 million) to £3,107 million. This is due to the seasonality of the business, reaching a peak at mid year, in the payment of the final dividend in May and to acquisitions. Net gearing has risen from 24% at the end of 1995 to 35% at the end of June 1996. The position at the end of June 1996 was 30%. The higher gearing is explained by increased acquisition expenditure.

CASH FLOW STATEMENT

£ millions	1996	Half Year
	(unaudited)	1995
Net cash inflow from operating activities	1,239	808
Net cash outflow from returns on investment and servicing of finance	(624)	(603)
Taxation	(507)	(311)
Net cash outflow from investing activities	(1,577)	(798)
Decrease in cash and cash equivalents	(821)	(766)

Total capital and reserves decreased by 3% in the half year to £5,480 million after a net goodwill write off on acquisitions and disposals of £590 million, partly compensated by currency movements.

Net cash inflow from operating activities, at £1,239 million, was £431 million above the same period of 1995, largely due to lower working capital outflows. This gain was more than offset by higher outflows on investing activities, notably on acquisitions.

NOTES

Acquisitions and Discontinued Operations

In the first half of 1996 the effect on turnover and operating profit of acquisitions made in the period was £452 million and £(41) million respectively. There were no discontinued operations in the first half of 1996 or 1995.

Balance Sheet

The condensed balance sheet as at 31 December 1995 has been extracted from the full Group Accounts, on which the auditors gave an unqualified opinion, and which have been delivered to the Registrar of Companies.

The results for the third quarter and announcement of interim dividends for 1996 will be published on Friday 8 November 1996.

For copies of Unilever results statements telephone Freephone 0800 181 891 or write to: Unilever Corporate Relations, P.O. Box 68, Unilever House, London EC4P 4BQ, or P.O. Box 760, 5000 DK Rotterdam. For information about Unilever, access Internet address: <http://www.unilever.com>

Half Year Results 1996

Banks prepare for effects of the euro

By George Graham, Banking Correspondent

British banks are beginning to gear up to the prospect of having to deal with the euro as a parallel local currency, even if the UK stays outside European monetary union.

Although bankers have always recognised that even outside Ecu they would have to make some changes to their systems to cope with the introduction of the single currency at the start of 1999, most have believed that

they would simply be able to treat the euro as one more foreign currency.

But the idea is gaining ground that customer demand will make the euro a very different animal from the D-mark or the dollar.

A committee of the London investment banking association warned in a report published yesterday that London financial institutions would need a euro payments system, even if, as seems likely, the UK does not take part in the first

wave of Ecu. "We are not convinced that the euro can simply be treated as an additional foreign currency, accommodated through correspondent banking arrangements, without raising potential competitive implications for the City [of London]," Liba says.

"Unlike any other foreign currency, the euro would, even as a non-participant, represent the potential - perhaps likely - future currency of the UK."

The argument reflects the

belief that many UK companies which already do a lot of their business in Europe will inevitably have to price their products and invoice their customers in euros.

"A number of multinationals will use the euro extensively, the chemical companies, for instance," says Mr Graham Bishop, European financial adviser at Salomon Brothers, the US investment bank.

But the Liba report also suggests that pressure may build from both companies and investors for the devel-

opment of a single euro-denominated market for the largest and most widely traded European shares.

"Large UK corporates who conduct the majority of their business in Europe may prefer to be quoted on a European stock exchange," the report says.

At the same time, London financial markets, clearing houses and settlement systems will need to be able to compete for euro business rather than risk seeing Frankfurt or Paris develop

as the dominant European financial centre.

So long as this demand for euros remains at the high value end of the market, Ecu is something the London banks ought to be able to handle. But much larger system changes would be needed if demand for euros spreads down the scale into the retail market; if retail investors buy euro shares and want to receive their dividend payments in euros, or if homeowners decide to take out euro mortgages.

UK NEWS DIGEST

Jobs concern over march

Northern Ireland business leaders yesterday voiced concern at the devastating impact on jobs in the province, if today's march in the city of Londonderry is not peacefully resolved.

In a statement targeted at the community leaders trying to negotiate an agreement on the disputed parade, Mr Colin Anderson, the president of the chambers of commerce, called for statesmanship and warned: "It's your future - your family's future - and your pay packet that's on the line". The unusually forthright warning came as uncertainty surrounded the plans for today's march by Apprentice Boys, the Protestant group, through this largely Catholic city. Earlier, a rare joint statement from the Confederation of British Industry, the Chamber of Commerce, and trade unions and chambers of commerce, said Northern Ireland was facing "a day of reckoning".

John Murray Brown, Londonderry

BARCLAY BROTHERS

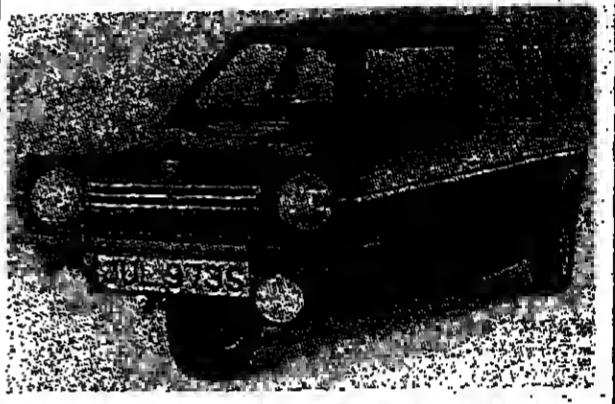
'Queen of island' case put back

The multi-millionaire Barclay brothers will have to wait to find out if they are to do legal battle with Queen Elizabeth over the constitutional position of Brecqhou, their tiny Channel island near the French coast. After five hours of complex legal argument in Guernsey's Royal Court yesterday an application by the Crown to become a second defendant in the brothers' action against their feudal landlord, the Seigneur of Sark, was adjourned until Monday.

Philip Jeune, Jersey

ROAD TRANSPORT

Electric version of Robin planned



Reliant Motors in Tamworth, Staffordshire, is redesigning the much-maligned Robin (above) to meet international demand for environmentally friendly cars and cheap transport in holiday resorts. Two electric prototypes are being road tested in the UK and California in the United States as the lightweight Robin appears to provide a solution to the limitations of existing battery technology. Reliant has also been approached to restyle the 1970s two-seater buggy, the Bond Bug, for the leisure industry in Spain, Portugal and the Bahamas.

Richard Wolfe, Staffordshire

LOCAL AUTHORITIES

City ordered to curb spending

The government yesterday renewed its assault on local authorities it accuses of overspending by ordering Liverpool city council to shut down part of its in-house contract workforce and setting limits on capital projects.

Sir Paul Beresford, the environment minister, accused Liverpool's direct labour organisations (DLOs) of wasting nearly £5m (£7.4m) in 1994-95.

John Kampfner, London

GAS INDUSTRY

Crunch meeting on charges

A last-ditch attempt to avoid a lengthy Monopolies and Mergers Commission inquiry into gas transportation charges will take place on Monday at a crunch meeting between senior officials from British Gas and Ofgas, the industry regulator.

Mr Philip Rogerson, the deputy chairman of British Gas is due to meet Ms Clare Spottiswoode, of Ofgas, for a final round of talks on the controversial proposals, which would cut gas transportation prices to consumers by almost a third.

Robert Corrine, London

ANTI-THEFT CONTRACT

Company targets cigarette gangs

A small north-east England company, Kitech, has won a contract worth between £174,000 and £250,000 from Philip Morris, the US tobacco group, to fit its anti-theft system to the vans used to distribute cigarettes in Moscow and the Czech Republic.

Chris Tighe, Newcastle

Leading clubs could not choose a better time to go public, says Patrick Harverson

Who owns the Premier League

CLUB	1995 RESULTS (£m)	
	Turnover	Pre-tax profits
Manchester United	60.82	20.01
Martin Edwards 17%, Marathon Asset Management 6%		
Newcastle United	24.72	-8.11
Sir John Hall owns 100% through Cameron Hall		
Liverpool	19.98	-2.78
David Moores 57%, Steve Morgan 6%		
Aston Villa	13.00	3.72
Doug Ellis will soon raise stake to 47%		
Arsenal	23.94	1.94
David Dein 29%, Daniel Fitzman 27%, Richard Cur 18%		
Everton	13.55	-0.57
Peter Johnson 50%		
Blackburn Rovers	14.07	-3.85
Jack Walker 89%		
Tottenham Hotspur	25.08	5.35
Alan Sugar 41%, Citibank 9%, Perpetual Asset Management 7%		
Nottingham Forest	10.29	-3.32
200 shareholders own 1 share each		
West Ham United	10.08	-2.74
Terence Brown 37%, John Warner 12.5%, Trustees of PHL 8.8%, Ian Gordon 8.5%, Martin Cairns 8%		
Chelsea	13.20	3.10
Ryania (offshore trust) 35%, Matthew Harding 26.8%, Ken Bates 25%		
Middlesbrough	15.00	N/A
Steve Gibson 68%, ICI 32%		
Leeds United	14.75	-2.43
Acquired by Cusipian, a City-backed media and leisure group		
Wimbledon	10.09	0.90
Sam Hammern 99%		
Sheffield Wednesday	11.00	0.96
Sevens-member board holds 20%		
Coventry City	7.19	-0.98
Several offshore and UK trusts own 65%		
Southampton	10.06	0.88
Roger Everett 29.5%, John Corbett 12.3%, Guy Ashkan 6.4%		
Sunderland	5.51	-0.84
Bob Murray 57.7%, John Wood 7.7%		
Derby County	3.33	0.01
Lionel Pickering 96%, John Kirkland 5%		
Leicester City	9.70	2.46
Nan Etgback 21%, Roy Porter 17%, John Esom 15%, Martin George 15%		

Source: Company reports/CDA/Spectrum *1995 estimate Research by Richard Brown

Shareholders set to reap benefit of football boom

England's Premier League has become the world's richest competitive football league and its owners are reaping the benefit of the sport's financial boom.

The money which has poured into the game in the past five years - from television rights, merchandising sales, gate receipts and sponsorship and advertising - has boosted profits at many clubs.

More importantly, it has led to a surge in the value of club shares. The new season - which opens tomorrow with the Charity Shield at Wembley Stadium, London - should make the sport's millionaires even richer.

The beneficiaries have been the biggest shareholders of the top clubs. Mr Martin Edwards at Manchester United, Mr Alan Sugar at Tottenham Hotspur, Mr Matthew Harding at Chelsea and Mr Leslie Silver at Leeds have seen the value of their holdings grow hugely in the past couple of years.

Several have cashed in their riches. Mr Silver received £5.4m (£3.6m) for his stake in Leeds when the north of England club was sold last month, and Mr Edwards sold part of his family's shareholding in Manchester United earlier this year for £21m.

A club does not have to be quoted on the stock market for its owners to benefit. Mr David Moores, a member of the Littlewoods Pools family who owns 57 per cent of Liverpool, has seen the value of his unquoted shares climb from £565 each two years ago to £3,500 today.

These increases in value are persuading more owners to float their clubs on the market, thereby raising cash needed for expansion and putting a more marketable price on their shares. Newcastle United, Sunderland, Leicester and Nottingham Forest are four clubs considering a flotation and others could follow.

If the clubs do go to the market, their timing could not be better: this season's attendances and television viewing figures should climb, buoyed by the goodwill spread by the Euro 96 football competition in England in June and the attraction of more international superstars on the pitch.

The bigger audience will boost merchandising sales and lift corporate sponsorship and advertising. Most importantly, more television money will flow into club coffers from BSkyB, the satellite broadcaster which negotiated a new and more lucrative contract with the Premier League at the end of last season.

Each club faces different challenges this season, and in many

The income gap between soccer clubs in the English Premier League and the three lower divisions has widened so much that many smaller clubs could soon be forced out of the professional game, Patrick Harverson writes.

The warning comes from football industry analysts at accountants Deloitte & Touche, which publishes its annual review of football finance on Monday.

Mr Gerry Boon, head of the analysts, said yesterday: "It's not a gap, it's a gulf. And next year it'll be a chasm."

The review is expected to show how Premiership clubs are not only growing faster on the increasing proceeds from television rights and merchandising, but also how soccer's traditional "trickle-down" effect - the flow of money to the lower divisions when Premier League clubs buy young players from smaller clubs - is beginning to dry up.

The drop in transfer income could prove fatal for small clubs which have relied on selling promising young players to pay debts.

cases the ownership picture could change radically by the time the championship is settled next May.

● Manchester United: Its profits outlook is bright because of last season's triumph in winning the League and Cup "double" and for the club's return to the European Champions' League. Mr Edwards cut his stake recently and although he has agreed to maintain the holding for a year, he may eventually sell more shares.

● Newcastle United: An £80m-£120m flotation of the club is expected to raise the money for a new stadium. Revenues will reach £40m this year but a large pre-tax loss will be incurred because of heavy spending on transfers. Next year the record transfer fee of £15m for the star player Alan Shearer from Blackburn will also hit profits.

● Liverpool: Mr Moores is not keen on a flotation or giving control to an outside investor. About £4m will be spent next year on stadium redevelopment.

● Aston Villa: Mr Doug Ellis will have 47 per cent of the shares after expected restructuring but the club says the move is not a prelude to a flotation. Further redevelopment of the stadium is planned.

● Arsenal: The board does not seem in a hurry to spend money. It rejected the idea of flotation two years ago but the issue could soon resurface.

● Everton: Mr Peter Johnson has kept quiet on the club's financial future, but neither an injection of

cash from an outside investor nor flotation seems likely.

● Blackburn: Mr Jack Walker has no plans to sell part or all of the club, which now has £15m to spend on new players from the Alan Shearer transfer.

● Tottenham: Mr Sugar has cut his stake to 41 per cent but remains committed to the club. A recent rights issue raised £12m to increase the stadium's capacity to 36,000.

● Notts Forest: The club would like to bring a big investor on board, or could also go for flotation. However, approval of 75 per cent of the 209 shareholders is required for any change.

● West Ham: This small club is hoping to attract a big investor, but the main shareholders are not keen to relinquish complete control and flotation is not yet on the agenda, though lack of development funds might change this.

● Chelsea: Recent disagreements among club directors appear to be over for now, and much hinges on redevelopment of the stadium and the construction of a hotel-leisure complex next door.

● Middlesbrough: The club has taken a financial gamble in spending heavily on players, and needs to win trophies to justify investment in its stadium and players.

● Leeds: The Caspian takeover provided much-needed funds for investment in players. Leeds does not own its stadium, but hopes to buy the freehold from the council and develop the surrounding land into a retail-leisure complex.

● Wimbledon: Mr Sam Hammern is looking for big investors to put money into the club, which badly needs a new house.

● Sheffield Wednesday: Finances are kept on a tight rein at a club proud of its wide local ownership. The only development planned is a football academy at the training ground.

● Coventry: The ownership picture is unlikely to change but the club wants to develop a retail-leisure complex alongside its stadium on land acquired last year.

● Southampton: The club wants to build a new stadium in the city's outskirts, but needs a substantial injection of funds.

● Sunderland: It is preparing a flotation and building a £15m, 40,000-seater stadium. Mr Bob Murray recently pledged £10m for new players.

● Derby: Mr Lionel Pickering has no plans to sell a stake in the club, but is helping to finance the building of a £16m stadium for the 1997-98 season.

● Leicester: It is seriously considering a flotation to raise funds for the squad and stadium.

Judge appoints liquidator to one Titan company

By Clay Harris

A provisional liquidator was appointed yesterday to one of the companies involved in the revived Titan money circulation scheme.

The appointment, which had been sought by the Department of Trade and Industry, was made by Mr Justice Blackburne after he ruled in the High Court that the scheme was an illegal lottery and operated against the public interest.

It is the strongest action so far against promoters of the scheme, a previous version of which was outlawed in June. The provisional liquidator has broad powers to seize the assets and financial records of Titan International LLC, based in the US state of Wyoming, until a winding up petition is heard.

Under an injunction issued on July 19, Titan LLC had been prevented from holding recruitment meetings in the UK, collecting money from members or potential members or sending money out of the country.

Mr Justice Blackburne said: "This scheme is a lottery no less than Titan 1. He said the prospect of earn-

ing commissions or bonuses for introducing new members - ranging from £450 (£700) to £1,250 depending on the status of the recruiter - was "entirely a matter of chance". Although £500 of each £3,000 membership fee was earmarked for investment in "high risk ventures", he said: "Titan 2, as promoted to the public, cannot be declared as having a commercial objective."

The judge also cited his concerns about the structure of Titan LLC, relating to membership rights.

He ruled that the court had no jurisdiction over a second US company, Titan International Inc, based in Connecticut, the vehicle for the "high-risk" investments under Titan 2.

The judge also said he had reached the "tentative conclusion" that Titan LLC and Titan Inc were not collective investment schemes and thus were exempt from the Financial Services Act.

He granted Titan LLC leave to appeal against the appointment of a provisional liquidator, and the DTI leave to appeal against his ruling on the lack of jurisdiction over Titan Inc.

OBITUARY: Sir Frank Whittle

Jet pioneer who changed world of aerospace

Sir Frank Whittle, who has died at the age of 89, was one of the pioneers of the jet engine and a central figure in the development of the UK's aerospace industry.

Sir Frank would not claim to have designed the engine for the world's first jet aircraft; that accolade goes to Hans von Ohain, who designed a jet for the Nazi war effort in the second world war. Neither man was aware of the other's work. After the war, they became friends and both emigrated to the US.

Together, they did more than

perhaps any other inventor to change the world which came into being after the war. The business traveller jetting on Concorde from London to New York for a hunch-tune meeting and the package tourist heading for the Mediterranean sun are among the millions who benefit every year from the work of Ohain and Whittle.

Frank Whittle was born in Coventry, in the Midlands, in 1907, the son of a mechanic and businessman. As a 22-year-old cadet at Cranwell Royal Air Force College, Lincolnshire, he was the first per-

son to put down on paper the idea that a jet could power an aircraft. He took a first class degree in engineering at Cambridge University in the 1930s.

As a serving member of the RAF, Whittle often found it difficult to push forward his ideas for the jet engine and faced scepticism from the government and scientific establishment. In the mid-1930s, however, he was allowed by the Air Ministry to become chief consultant to Power Jets, a company formed with £10,000 (£14,800) from industrialists and financiers.

By 1939, Air Ministry officials were sufficiently impressed to begin the process of attaching the jet engine to an aircraft. The Gloster Aircraft Company was selected to build the aircraft and by 1944, the jet engine designed by Whittle and his team was in service with the RAF.

Rolls-Royce took over the development of the engine in 1943 and Power Jets was nationalised the following year. Whittle retired from the RAF in 1948 with the rank of air commodore.

He failed to reap any great finan-

cial benefit from his invention, having relinquished his patents to the government and private companies. Whittle said: "There was a war on and I was an officer. I couldn't possibly in decency have made a profit out of my duties."

He was knighted in 1948 and the government gave him a tax-free gift of £100,000.

He was appointed research professor at the US Naval Academy at Annapolis, Maryland in 1977, though he retained close links with the UK. He was awarded the Order of Merit in 1988.

Train crash inquiries open as political row simmers

By Haig Simonian and John Kampfner in London

Railtrack, the privatised railway infrastructure company, yesterday said it hoped to restore services on Monday to the track between London's Euston terminals and Watford junction, scene of a fatal collision between two passenger trains.

Three separate inquiries opened yesterday into the collision, which killed one woman and injured 68 other passengers during the even-

ing rush hour on Thursday. As the inquiries - by the Rail Inspectorate, Railtrack and the British Transport police - got under way, the link between privatisation and safety was at the centre of a growing political debate.

The opposition Labour party stopped short of saying the crash was a result of privatisation, but drew attention to a recent report by the House of Commons transport committee which noted that, while rail safety standards had improved,

more need to be done. Ms Glenda Jackson, Labour's transport spokeswoman, said: "There have been leaked documents, it would seem almost every week, coming from Railtrack itself, of a very clear deterioration of safety standards and now we have this very serious accident."

Sir George Young, transport secretary, said there was "no evidence that the privatisation process or the restructuring of the railways has in any way diminished the safety record".



Inquiries begin: investigators attend the scene of Thursday's crash near Watford Junction

سكنا من الادل

صكرا من الامل

Black and Radler to head Southam

By Bernard Simon in Toronto

Mr Conrad Black has tightened his grip on Southam, Canada's biggest newspaper chain, by installing himself as chief executive and his trusted lieutenant, Mr David Radler, as deputy.

The move is another sign of Mr Black's switch in focus from the UK's Telegraph group, which he recently took private, to North America. Mr Black, who is Canadian, has spent less time in London since a row two years ago over a Telegraph share issue, which was concluded just a month before the Daily Telegraph cut its cover price.

Over the past year, Mr Black has moved from a being a relatively minor force in the Canadian newspaper market to by far the biggest. He now controls about 43 per cent of Canada's daily newspaper mar-

ket, measured by circulation. Hollinger International, a holding company controlled by Mr Black, raised its stake in Southam this year from 20 per cent to 41 per cent by acquiring shares held by Power Corporation, the Montreal-based conglomerate.

Mr Black wants to lift Hollinger's interest to at least 50 per cent as soon as possible. But his plans have been delayed by turbulence on financial markets and a reluctance among other large Southam shareholders to sell.

Southam owns 20 papers, including the main dailies in Vancouver, Edmonton, Calgary and Ottawa, as well as the Montreal Gazette. Hollinger has also bought several dozen smaller papers over the past year from Thomson Corporation, the international travel and publishing group.

Mr Black has taken over at Southam following the abrupt retirement of former

chief executive Mr Bill Ardell.

Day-to-day management has passed to Mr Don Bablick, former head of Southam's Vancouver papers, who becomes president and chief operating officer.

The moves come less than a month after Mr Black, who is also Southam's chairman, replaced five directors, whom he accused of obstructiveness.

Mr Black and Mr Radler are expected to step up pressure for cost reductions in Southam's operations, including a smaller head office. Southam has sold most of its non-newspaper interests in recent years.

The new proprietors are also expected to devolve more authority to individual newspaper publishers, reversing a trend under Mr Ardell. Southam was for many years a somewhat stodgy family-controlled business known for its strong-willed publishers.



David Radler: becomes deputy chief executive to Conrad Black

Hoechst to seek separate listing for drugs arm

By Daniel Green

Hoechst Marion Roussel, the pharmaceutical arm of Hoechst, the German chemicals company, will get a separate stock market listing in September 1997, according to Mr Jean-Pierre Godard, chairman of Roussel Uclaf, the French company that is part of HMR.

This is the clearest evidence yet that Hoechst, Europe's biggest chemicals company, intends to split off all or part of HMR, Europe's second-biggest pharmaceuticals company by sales.

Hoechst's share price has long reflected its chemicals businesses, rather than its more profitable pharmaceuticals side.

"Ideally, the notation of HMR will take place in September 1997. It will be among the most important bourse introductions, even in Europe," Mr Godard, who is executive president of HMR, said.

He added that the group had not decided on which markets it would be listed, nor had it decided whether to withdraw Roussel Uclaf, in which Hoechst has a 56.6 per cent stake, from the Paris bourse.

HMR is the world's third-biggest pharmaceuticals

company in terms of sales, after Glaxo Wellcome of the UK and Merck of the US.

It was formed by the three-way merger last year of Roussel Uclaf, Marion Merrell Dow of the US and Hoechst Pharma. Merrell Dow bought Marion Merrell Dow last year for \$7.1bn.

Hoechst Pharma will be legally incorporated in HMR around July 1 1997, after Hoechst shareholders approve the move at their general meeting, Mr Godard said.

Hoechst last month announced the separation of its German pharmaceutical and chemical businesses, as a step towards the planned spin-off of the global pharmaceutical business.

"The group hopes to complete the operation by the end of April next year, so that it can ask shareholders to approve the establishment of the German drugs arm as a separate legal entity at its annual meeting next May."

Hoechst has already established its drugs businesses in the UK, Italy and the US as separate legal entities. However, these businesses were largely free-standing operations gained through acquisitions.

Heinz warns of first-term shortfall

By Richard Tomkins in New York

Shares in H. J. Heinz slipped 8% to \$33 in early trading yesterday, after the US food group warned a meeting of food industry analysts in Dublin that their earnings forecasts for the quarter just ended were looking over-optimistic.

Heinz said earnings per share for its fiscal first quarter to July would be up on last year's 46 cents, based on net income of \$174.5m, but slightly below current forecasts of about 51 cents. Analysts were yesterday revising their forecasts downwards to about 48 cents.

Last year's earnings per share figure is adjusted for a 3-for-2 stock split in November.

Heinz said the shortfall had been caused by the implementation of a company policy to reduce the impact of quarterly sales loads, a term used to describe a US food industry practice of increasing volumes at the end of the quarter by offering discounts to retailers.

Mr Anthony O'Reilly, chairman and chief executive, said Heinz was determined to control the high cost of end-of-quarter sales loads, in order to reduce working capital and production costs. Discontinuation of the practice would mean a short-term reduction in sales, but a long-term gain in better returns on capital and greater efficiency.

Mr O'Reilly said Heinz continued to expect double-digit earnings growth for the full year.

Last quarter the group's operating income slipped by 5 per cent to \$306m, but a sharp fall in the tax charge enabled the company to report a 7 per cent increase in net profits, to \$170m.

IPO values Hambrecht & Quist at \$355m

By Richard Waters in New York

Hambrecht & Quist, a San Francisco-based investment bank which has specialised in bringing companies from Silicon Valley to the stock market, has completed a public offering of its own shares in the face of a slowdown in its core business.

The bank said it had sold 3.5m shares, equivalent to 16 per cent of its outstanding stock, for \$16 each, valuing the bank at \$355m. That was

less than H&Q had hoped to raise when it first decided on going public earlier this year, a time when the US stock market - led by the technology sector - was soaring to new records almost daily.

However, the completion of the deal in the face of more volatile market conditions still marks a success for a company whose business has relied heavily on being able to raise equity capital for its customers.

The timing of the offer

was aided by a sharp recovery in share prices in the two weeks since the bank published its prospectus.

Since it was founded in 1968, H&Q has ridden two booms in the equity market's enthusiasm for companies in high-tech industries. In the early 1980s, the bank played an important role in taking companies like Apple Computer and Genentech, the biotechnology group, to the stock market.

More recently, it has benefited from Wall Street's fiftful

favour for Internet companies, including Netscape.

H&Q's active role in the underwriting business enabled it to report investment banking revenues of \$130m in the nine months to end-June, compared with \$39m the year before. That led to a jump in net income from \$29m to \$70m.

Although it has brought many of its customers to the Nasdaq stock market - including such giants of the technology industry as Microsoft and Intel - H&Q

has opted to list its own shares on the New York Stock Exchange. The bank indicated that the decision reflected the fact that all other quoted US investment banks are listed on the NYSE, rather than Nasdaq.

Coincidentally, it emerged earlier this month that America Online - whose chief executive, Mr Steve Case, is the brother of Mr Daniel Case, H&Q chief executive - was planning to shift its listing from Nasdaq to the NYSE.

Boosey - the mouse that roared at Disney

By Alice Rawsthorn and David Blackwell

Boosey & Hawkes, the UK musical instrument maker and publisher, might look Mickey Mouse-sized to Disney - but yesterday it claimed a victory in the US courts over the entertainment giant's use of Stravinsky's *The Rite of Spring* in the video of *Fantasia*.

Disney also claimed to have won the case, arguing that the "logic and sequence" of the ruling meant that it was free to continue to use the music on the video.

The verdict did not address the issue of financial compensation for Boosey. The UK company claimed

damages of \$200m (£128m) when it began the case in 1993, but to secure compensation it will have to file suit against Disney in every country where *Fantasia* is sold and, even if it won, its eventual pay-off could be much less than \$200m.

However, Boosey's shares soared yesterday for the second time in a week, rising 68p to 798p. The shares have risen by 138p since Tuesday's news that the company was acquiring Rico International, a leading US saxophone and clarinet manufacturer, for £17.9m.

Mr Anthony Fell, managing director of Boosey's publishing interests, said it would decide "within the next few days" how to pursue its legal fight against Disney. He said it was prepared to go to court in other countries.

The Boosey case is one of several lawsuits brought against Walt Disney and other Hollywood movie studios regarding the use of copyrights in the video versions of their films.

Peggy Lee, the US singer, won a similar case against Disney in 1991, when she secured \$2.3m in damages over a video of *The Lady Is A Tramp*. Ms Lee claimed that her original agreement with Disney, for which she was paid \$3,500 in 1955, did not include copyright arrangements for video. Boosey based its case on a similar argument.

Barings refused to comment. "We don't discuss our relationships with clients," it said.

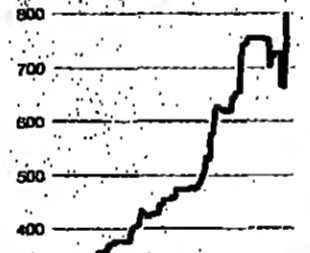
Its advisory role came under scrutiny after Eurotherm's non-executives voted last month for Mr Hultman's removal, claiming he was demanding to be made executive chairman - a suggestion he has repeatedly denied. That prompted a storm of protest from institutional shareholders, who regarded the Swedish-born director as the architect of Eurotherm's revival and

pressed for his return.

One insider said the row had been fuelled by differences between Mr Jack Leonard, the former chairman, and Mr Hultman over the company's future direction.

"The dispute made it more and more difficult for operating managers to pursue expansion plans," according to the official, who asked not to be named.

The chief executive was said to be interested in strategic alliances and the possible acquisition of companies manufacturing



Lack of contracts hits OGC

By John Dlugi

Shares in OGC International fell 12p to 110p yesterday as the Aberdeen-based oil and gas services group reported a sharp fall in profits for the six months to June 30 following its failure to win a number of significant contracts.

Pre-tax profits declined to £2.73m (£7.54m) on turnover of £91.2m (£127m).

Mr Richard Wilson, chairman, said the group had been unsuccessful in its tenders for a number of overseas contracts. Also, a contract in Brunel, worth \$60m (£38.4m) over two years, was now expected to be unprofitable.

Yesterday, Mr Wilson said "every effort is being made to return the contract to profit", and the group's other contracts were operating profitably.

"We currently have £120m of work in hand for 1997. The board is encouraged by the longer-term opportunities available in providing specialist and contracting services to the oil and gas industry."

However, he expected the second half to remain difficult.

OGC was active in large one-off and long-term contracts in the UK offshore area. It was involved in the BP Schiehallion FPSO Development which was worth between £10m and £15m, and had positioned itself for a larger number of smaller contracts in the UK onshore oil, gas, refinery, chemical and utility markets, Mr Wilson said.

Earnings per share dropped to 2.78p (8.17p), but the interim dividend is held at 2p.

Last month the shares fell 39 per cent to 135p after a profits warning.

Mr Fred Olsen, the Norwegian shipping magnate, holds a 40 per cent stake in the group.

Integration problems put Eve into red

By Justin Marozzi

New business wins and acquisitions helped CIA Group, Europe's second largest independent media buyer, double first-half pre-tax profits.

Mr Chris Ingram, chairman of the UK group, said the rise from £1.68m to £3.41m in the six months to June 30 came on the back of a "phenomenal" run of acquisitions in 1995. Predominantly organic growth lifted turnover 56 per cent to £379.4m.

He stressed, however, that the outcome should not be taken as indicative for the full year - although clients were spending more money, the phasing of billings was not even.

Mr Tim Steer, of house broker Merrill Lynch, said the group's activities in Italy had contributed "in a major way" to growth. CIA was also benefiting from increased barriers to entry.

Acquisitions help CIA double to £3m

Because the market had become increasingly global, clients required greater planning and international co-ordination of their media buying. "They have become much more sophisticated in their demands," he said.

Mr Ingram said its "embryonic" Asia Pacific network was trading at a loss but prospects were good. CIA had been one of the first to enter the region three years ago and was continuing to expand on a "controlled risk basis".

Mr Steer said the European and Asian markets were each worth £50bn a year. Europe was growing at 4.3 per cent but Asia was advancing at 9.6 per cent.

An interim dividend of 0.58p (0.54p) is payable from earnings per share of 2.96p (1.78p).

Forecast pre-tax profits for the year of £7.2m give earnings of 7.8p and a prospective p/e of 21.9.

The shares rose 4p to 171p.

Cardcast and Card Clear plan merger

Card Clear and Cardcast, head to head competitors in the credit card fraud prevention market, are in merger talks.

The two companies both supply "bot files" with data on lost or stolen credit cards to retailers, and both have floated on the AIM smaller companies market in the last year.

Neither was willing to give further details yesterday, but both said they "hoped that a successful conclusion to negotiations will be forthcoming shortly".

It is anticipated that the merger will be structured as a share exchange offer by Card Clear for Cardcast, based on the relative market capitalisations, with no cash alternative. Current market prices suggest a swap very close to two Card Clear shares for one Cardcast.

Card Clear is the smaller

of the two, with a pre-tax loss of £372,000 last year on turnover of £778,700, and a net profit in the first half of this year of £205,000, on turnover of £905,000.

Cardcast, however, has two years of profits behind it with £483,000 net in 1995 on sales of £3.8m. In the first half of this year, helped by lower financing costs after the AIM float allowed it to repay debt, Cardcast made £401,000 pre-tax on turnover of £1.76m.

But Card Clear's shares have outperformed its larger rival's, and its market capitalisation now stands at £20.3m to Cardcast's £14.3m.

Although Cardcast has signed new contracts with outlets such as Tesco and Esso, it was recently rapped on the knuckles by the Stock Exchange for announcing a two-year contract to provide bot card files to Credit Mutual, the French bank, which had not in fact been signed.

Hongkong Land in HK office buy

By John Riddling in Hong Kong

Hongkong Land, the property arm of the Jardine Matheson group, is to invest US\$200m in an office site on the east side of Hong Kong island, the company announced yesterday.

The deal is the Jardine group's biggest investment in the Hong Kong property market for more than 10 years. It follows the acquisition of a smaller residential site by Hongkong Land a few weeks ago.

Jardine Matheson had sought to diversify its interests and reduce its dependence on Hong Kong, prompting a series of acquisitions in Europe and other Asian markets. But Mr Percy Weatherall, managing director of Hongkong Land, said the latest investments should come as no surprise, following the group's bidding in several recent property projects.

The investment in the new site is relatively small by the standards of many Hong Kong property projects. But it reflects an upturn in the sector and confidence about prospects after the territory's handover to China next year. Property analysts said

that Hongkong Land is cash rich, with a strong balance sheet, and is looking to expand its investments.

Under the terms of the agreement, Hongkong Land is to buy the Crown Motors building from Pacific Century, the property company managed by Mr Richard Li, son of Mr Li Ka-shing, one of the territory's wealthiest tycoons. The Jardine property group will then develop an office building of about 300,000 sq ft, which is expected to be completed by 2000.

Mr Weatherall said the office block in Quarry Bay - one of Hong Kong's fastest developing areas - would complement the company's existing properties, which are mainly in the island's Central district. Hongkong Land owns and manages about 5m sq ft of office and retail space in the Central district, making it one of the territory's largest landlords.

The company is part of a consortium to develop Hong Kong's new container port, a project which is now set for final agreement after years of diplomatic and commercial wrangling.

Mr Weatherall said that the group was also examining other projects in Hong Kong and the region.

PSIT plc

INVESTORS IN PROPERTY AND SECURITIES

	PROFIT UP	INCREASED DIVIDEND
Extracts from the results and from the statement by the Chairman, Mr. A. R. Perry.		
■ Revenue profit before tax rose from	£14.4 million to	£15.5 million.
■ Investment property rents up from	£23.6 million to	£25.0 million.
■ Friars Gate, Solihull plus other properties acquired.		
■ Active development programme started.		
■ Group property investments up from	£294 million to	£310 million.
■ £2.5 million surplus from investment sales.		
■ All interest written off against revenue.		
■ Net asset value rose to	£1.78 per share.	
■ Total dividend increased from	5.375p to	6.00p.

	2000's	1996	1995
Investment property rents	24,983	23,556	
Revenue profit before tax	15,475	14,435	
Profit available to ordinary shareholders	13,517	10,301	
Shareholders' funds	210,131	202,017	
Ordinary dividend per share	6.00p	5.375p	

Copies of the full statement and annual report may be obtained from S. H. Caines, Managing Director, PSIT plc, Fitcham Park House, Lower Road, Fitcham, Surrey, KT22 9HD.

concern march

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COMPANIES AND FINANCE

Cost of integrating acquisition takes its toll on consumer group

Unilever flat at £1.12bn

By David Blackwell

Unilever reported flat first half profits after taking restructuring costs of £60m to cover integration expenses for Helene Curtis, the US maker of shampoos and other personal products acquired in February.

The Anglo-Dutch consumer goods group reported unchanged pre-tax profits of £1.12bn for the six months to June 30. Sales in the period rose 8 per cent to £16.5bn.

Sir Michael Perry, who is handing over the chairmanship to Mr Niall FitzGerald on September 1, said turnover was expected to continue growing at a similar rate in the second half. Over the full 12 months net exceptional charges - £230m last year - would be in line with the average of previous years, leaving reported profits for the full year ahead of 1995.

Analysts left full-year forecasts unchanged at about

£2.5bn, compared with a previous £2.32bn. The shares closed yesterday at £12.43, down 6p.

Operating profits excluding exceptional items were 10 per cent higher in the second quarter and 13 per cent ahead for the half year, the group said. It described its trading environment as "substantially unchanged".

The group has made 24 acquisitions and 15 disposals so far this year, at a net cost of £1.1bn. Helene Curtis, bought for £770m (£493.5m), lifted sales by 10 per cent in the second quarter and the future following reorganisation was "looking very good", the group said.

Second-half exceptional costs will include a figure - estimated at another £50m - for the reorganisation of Divisionary, in January from Molson for £378m (£364.4m) and which has made Unilever the world's second largest producer of industrial cleaning products.

In Europe, improvements from the continuing disposal of low-margin businesses was masked by the continuing impact of BSE, which has so far cost the group a total of £21m. However, margins were held at 8.3 per cent despite a lack of improvement in the French and German economies. European operating profits were flat at £660m.

North American operating profits rose from £160m to £196m on sales ahead from £2.8bn to £3.24bn, helped by the two big acquisitions. In addition, there was a significant improvement at Elizabeth Arden, where sales rose 7 per cent after the launch of the 'Black Pearl' fragrance. Fifth Avenue, another new perfume, will be launched in the second half.

Brazil remained the star performer in Latin America, with growth in operating profits ahead of sales after exceptional items. Outside Japan and Australia, Asia Pacific

countries performed well, with sales rising 50 per cent in China.

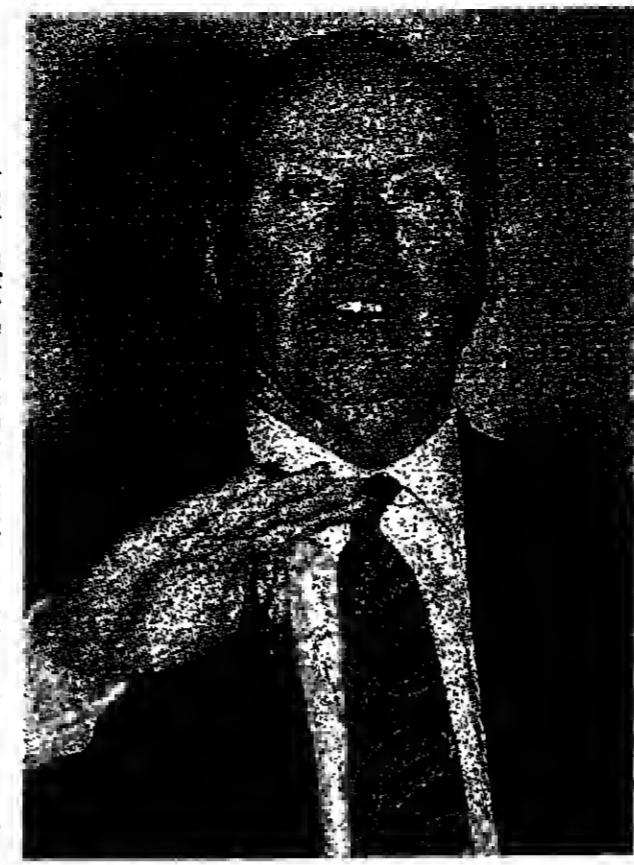
Spending on acquisitions lifted gearing at the end of the half from 80 to 85 per cent. Net interest payable rose from £117m to £132m.

Earnings per share fell from 37.95p to 36.5p. The interim dividend will be announced at the end of the third quarter.

Unilever said yesterday it was sticking by its 323.5p a share offer for the 25 per cent of Lyons Irish Holdings that it does not already own. On Tuesday the LHM board rejected the offer as "inadequate".

LHM, which has more than 60 per cent of the Irish tea market, said yesterday that it would be setting out its reasons in a letter to the remaining 1200 shareholders to be posted on Monday. Unilever bought 75 per cent of LHM from Allied Domeq in February at 225p.

See Lex



Outgoing: Michael Perry delivers last results as chairman

NEWS DIGEST

Lotus serves writ on ex-director

A writ alleging misappropriation of Lotus Cars' property and failure to act at all times in the company's best interests was served at 1am yesterday on Mr Neeraj Kapur, the Norfolk sports car maker's former finance director.

Mr Kapur and several other directors were removed from office two weeks ago by the directors' threatened owner, Mr Romano Artioli, after the directors threatened to call in receivers unless Mr Artioli agreed to resolve doubts about Lotus' future by selling the company quickly and severing all ties with it.

Mr Artioli's Bugatti companies in Italy and Luxembourg are already in receivership. Mr Kapur and his fellow "removed" directors, who are still technically employees of Lotus, have claimed the sports car and engineering concern's financial situation is more precarious than is being acknowledged.

Mr Kapur said last night: "Obviously this is an attempt to discredit me, and equally obviously I shall be defending myself." The writ also alleges failure to exercise due skill and competence. In a statement announcing the serving of the writ, Mr Artioli said Lotus had won lucrative engineering projects in recent days and the company's prospects looked "encouraging".

John Griffiths

Bell Cablemedia grows

Bell Cablemedia yesterday announced strong revenue growth and improving customer retention rates.

The UK's third largest cable operator said that better training and improved customer services had helped reduce annual churn - lost subscribers - from 38.1 per cent to 22.5 per cent during the year to June.

Revenues for the first six months of this year totalled £28.5m, up £15.5m on the same period last year for the Nasdaq-quoted group.

Average monthly residential telephony revenue per line increased to £27.95 (£26.53) for the second quarter of 1996. For cable it rose to £21.01 (£20.39).

Net losses for the period increased from £4.5m to £48.2m, mainly because of increases in the cost of depreciation and amortisation as it built its cable network.

The gross number of subscribers has increased rapidly - 125,497 telephone lines have been installed with 198,705 cable television subscribers by the end of June. Although churn has been reduced, Bell Cablemedia's penetration rates - the proportion of homes passed that subscribe - remains below the industry average. Its penetration rate for cable television is 18.3 per cent, against the industry average of 21.5 per cent.

Raymond Snoddy

Rank faced with £120m claim

By Scheherazade Daneshkhu

Mr Robert Earl, founder of the Planet Hollywood restaurant chain, is claiming £120m from Rank Organisation for the UK leisure group which he left in 1992.

The two sides are in dispute about the value of Mr Earl's earn-out arrangement, which is partly based on the profitability of Hard Rock, the themed restaurant chain now owned by Rank.

The dispute resurfaced a day after Rank announced it had put Hard Rock - one of the group's most profitable businesses - into a stand-alone division, and unveiled an ambitious expansion programme, including a record label.

Mr Earl bought Hard Rock, which comprised three restaurants, in 1988 when he worked for Pleasurama, the leisure group, and built it into a chain. Pleasurama

was taken over by Mecca, and Rank inherited Mr Earl and Hard Rock through its 1990 takeover of Mecca.

Rank paid Mr Earl between £20m-£30m after he left the company but Mr Earl said he was owed more.

He said yesterday: "I notified Rank that the amount they had computed for me in building up Hard Rock was not correct and offered that they reconsider. 'When they were not forthcoming, I elected to go to arbitration.' The dispute was put in arbitration with Arthur Andersen, the accountant, last month."

Last month, Mr Earl made £13.3m from his 10 per cent shareholding in Pelican, the restaurant chain which was taken over by Whitbread, the brewer and leisure group, in a £133m deal. He sold four Mamma Amalfi Italian restaurants to Pelican in 1993 for £2m cash and £3m in Pelican shares.

Spy case first round to Kvaerner

By Tim Burt

The order also prevented VAI making use of any other Davy documents which it had obtained.

Kvaerner, which earlier this year paid £904m for Davy's parent Trafalgar House, claims that VAI illegally obtained confidential technical and contractual information from Davy International.

It has issued writs against the Austrian group and a number of its employees, including Mr Roy Tazzyman, who earlier this year became managing director of VAI's UK operations. Mr Tazzyman was previously chief executive of Davy International.

"The High Court's rejection of VAI's discharge application further endorses the stance taken by Davy to protect its proprietary information and commercial interests," said Kvaerner.

Davy, which was awarded costs, said it would continue to pursue the case vigorously.

It has already served writs on Mr Horst Weisinger and Mr Richard Guserl, chief executive and finance director respectively of VAI, one of Davy's main competitors. The Austrian group said it would fight the action and

could shortly launch a counter-claim for substantial damages.

"VAI remain convinced that they will, in due course, be completely vindicated in what is, in their view, an unwarranted and unjustifiable action," it said.

Kvaerner is next week expected to unveil reduced interim pre-tax profits of about Nkr750m (Nkr1.61bn).

Last year's first half was flattered by a Nkr568m gain on the disposal of its gas carrier business. Industry analysts are predicting underlying profits of up to Nkr840m for the period.

McInerney Properties, the Dublin-based property development company, yesterday announced progress in its financial restructuring.

Four Seasons Country Club, one of its creditors, has agreed to the settlement proposals, subject to shareholders' approval.

The proposals entail FSCC releasing McInerney from its obligations under two indemnities, amounting in certain circumstances to £9m (£9.4m), together with all other claims which FSCC may have against McInerney. In return, McInerney will pay FSCC £200,000 cash and a further £230,000 in new shares.

McInerney's plans involve converting some debt to equity, rationalising the share structure with a substantial dilution in ownership by existing ordinary holders, and the raising of some £5m in equity capital. All parties to each element must agree to enable successful implementation.

Delphi Group, the UK information technology and human resources specialist, has agreed to form a joint-venture company with US-based Computer Horizons to provide software and services to address the problems of the 2000 date change on computing systems.

The so-called "millennium bomb" affects many older computer programmes, where only the last two digits of the year are stored. Unless the problem is corrected, experts fear many computer systems will fail when the date changes to January 1 2000.

Experts have suggested that the "bomb" could cost companies millions of pounds. Some estimates have put the cost of correcting the problem worldwide at about \$600m (£385m).

Most UK management and technology consultancies have begun to offer solutions, often in conjunction

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McInerney restructure progress

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McInerney's plans involve converting some debt to equity, rationalising the share structure with a substantial dilution in ownership by existing ordinary holders, and the raising of some £5m in equity capital. All parties to each element must agree to enable successful implementation.

Delphi in US link to defuse date bomb

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Most UK management and technology consultancies have begun to offer solutions, often in conjunction

Kenwood warns on margins

Shares in Kenwood Appliances, the UK kitchen gadget company, fell 12½p to 195½p yesterday after the annual meeting heard that margins remained under pressure.

Mr Harold Mourgue, chairman, said trading conditions in Europe remained difficult, and pricing and changes in product mix continued to put pressure on margins.

However, trading in the UK continued to show improvement on last year, with a rise in turnover.

He added that new products coming on stream in the second half and the prospect of improved conditions in continental Europe gave cause for confidence for the full year.

Kenwood reported pre-tax profits of £15.6m for the year to April 4, up 16 per cent, but at the bottom end of expectations, following a sharp downturn in fourth-quarter sales in Italy, its biggest market.

Alternative duo set up at Lloyd's



Legal point: David Rowland has been advised FNAAG has little chance of success

The rapid restructuring at Lloyd's of London accelerated yesterday with the creation of two more listed Lloyd's "insurance companies" offering alternative vehicles for investors.

The moves by the Wellington and Hardy managing agencies, which run syndicates at Lloyd's, coincided with forecasts suggesting that the recent profits revival at Lloyd's may have been stronger than previously thought.

Estimates by Indemnity Insurance Services, a Lloyd's adviser, were higher than those made last month by Lloyd's. They suggested Lloyd's, which reports three years in arrears, made £1.07bn profit in 1994 and £901.9m in 1995.

Higher profits, producing returns on capital of 20 per cent and more, have encouraged moves towards creating relatively large insurance companies which, like conventional insurers, align limited liability capital with underwriting management, but operate under the Lloyd's umbrella.

A bigger factor has been the prospect of Lloyd's winning the support of Names - its traditional investors - for its radical recovery plan, including a £3.2bn out-of-court settlement, by the August 28 deadline.

A final hurdle for the plan comes next week with a judicial review of whether Lloyd's has treated unfairly Names who paid losses, while others have debts written off.

Success for the Paying Names Action Group could wreck the plan. But in a letter yesterday Mr David Rowland, Lloyd's chairman, said: "We are advised that the FNAAG case has little prospect of success."

Under yesterday's deals, the Wellington agency, the largest at Lloyd's, is being reversed into Wellington Underwriting, a listed company set up two years ago to supply underwriting capital to Wellington syndicates.

Traditional Names, which rely on agencies to control their underwriting, continue to supply most of the capital to Wellington syndicates. However, the group may eventually offer a means whereby their unlimited liability participation could be converted into shares.

Such a conversion scheme is part of the deal announced by Hardy Underwriting, a new group which plans to seek an AIM listing in October, will acquire the Hardy agency which runs syndicate 382, specialising in helicopter insurance.

Hardy Underwriting will offer Names the facility to lock into the purchase of shares in the group in three years' time, when existing commitments to Lloyd's can be ended.

Mr Peter Hardy, chairman of the Hardy agency and who will own 29 per cent of the new group, warned Names that "unlimited liability is dangerous, as we have seen".

Quadrant, a UK video and photographic products maker, has conditionally agreed to dispose of its Photographic Group for £4.78m to Ingley, a management buy-out vehicle backed by Lloyd's Development Capital.

Yesterday, Quadrant also reported a full-year pre-tax loss of £15.7m (£14.0m profit), after £12.4m of exceptional items which mainly related to the write-off of reinstated goodwill associated with the decision to dispose of companies acquired in the 1980s. Excluding exceptional items, the group made an operating loss of £15.7m (£296,000 profit) for the year to February 29.

Proceeds from the disposal will be used to reduce gearing and improve working capital.

Rothschild directors' pay

The highest paid director of NM Rothschild received £1.52m before pensions contributions last year and a second received more than £1.1m, the merchant bank's annual report disclosed. One of the two is believed to be Mr Anthony Alt, the managing director who has built Rothschild into one of the leading advisers to governments and companies on privatisation deals.

Rothschild is having to increase remuneration to fend off expanding investment banks such as UBS which poached three key executives from the UK merchant bank in the last year and are believed to have approached Mr Alt.

Directors and employees shared in a £20.5m bonus pool for the 12 months to March, up from £12.4m. Even after this, however, profits before tax rose 20 per cent to £55m.

Rothschild's leading operations continued with declining margins and its corporate finance business was involved in fewer UK electricity sector deals than its advisory relationships would have indicated.

But the bank still benefited from record acquisition activity in the UK and a steady flow of international privatisation advisory work, to show a 55 per cent increase in income.

Nicholas Denton

Quadrant agrees disposal

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Pathology move for Isotron

Isotron, the UK sterilisation services group, is expanding into pathology through the acquisition of JMJ Laboratories for a maximum £1.6m, £400,000 of which is profit-related.

In 1995, JMJ, which provides independent services to UK industry, general practitioners and occupational health organisations, made profits of £234,000 before partners' drawings on sales of £717,000. Net assets at the year end amounted to £240,000.

British Dredging £1.8m buy

British Dredging, the UK builders' merchant and supplier of sand and gravel and shipping services, has acquired Smiths Plumbing Supplies (Bolton) for £1.8m cash, subject to a valuation of Smiths' assets.

In 1995 Smiths, which distributes bathroom equipment, made pre-tax profit of £161,000 on sales of £7.09m. British Dredging said the acquisition would be immediately earnings enhancing.

Mepit buy-back continues

Mercury European Privatisation Trust bought another 1m of its ordinary shares on Thursday at 104p for cancellation.

In December the trust announced it intended to buy back up to 82m, or 15 per cent, of its shares in order to close the discount between the market price and net asset value. They had traded at a discount since launch in March 1994. The buy-back is now about half complete.

The shares closed down 4p at 108½p yesterday.

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Dividend (p)	Date of payment	Dividend/Corresponding dividend	Total for year	Total last year
BA	6 mths to June 30	373.4 (242.5)	3.41 (1.99)	2.98 (1.78)	0.58	Oct 3	0.54	2.16
BT	6 mths to June 30	67.5 (4.2)	4.2 (2.44)	35.1 (27)	0	2	1	11
DEC	6 mths to June 30	51.2 (127.1)	2.73 (7.54)	2 (7.51)	2	Oct 31	2	6.3
Quadrant	Yr to Feb 29	12.3 (51.4)	157.4 (115.4)	41.88 (28.7)	0.58	2	0.55	2.24
Bolloré	6 mths to June 30	18.493 (15,243)	1,125 (1,120)	38.5 (37.95)	0	-	7.05	29.5

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Dividend (p)	Date of payment	Dividend/Corresponding dividend	Total for year	Total last year
Investment Trusts	Yr to June 30	299.2 (234.2)	0.23 (0.208)	5.13 (4.84)	3	Oct 16	2.75	4.25

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. After exceptional charge. After exceptional credit. 10c increased capital. * interim pay-out to be announced on November 8.

Lead and Nickel lead the way

MARKET REPORT

STOCK MARKET

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COMPANIES

MARKET GOVERNMENT BOND

MARGINED CURRENCY

CAUTION

السوق المالية

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Lead and nickel lead the way

The liveliest performers on a relatively quiet London Metal Exchange this week were lead and nickel, which registered overall gains of 3.1 per cent and 4.3 per cent respectively.

A strong consensus has built up among metal market analysts in recent months that the outlook for 1995 and the first quarter of 1996 has been bright.

Although lead stocks in LME registered warehouses were up a little this week, they remain uncomfortably low, following the downturn that extended through 1995 and the first quarter of this year.

They remain uncomfortably low, following the downturn that extended through 1995 and the first quarter of this year. Analysts expect that trend to be re-established quite soon as demand begins its seasonal rise ahead of the northern hemisphere winter.

The tightening supply situation is attributed by the International Lead and Zinc Study Group chiefly to big falls in output last year in China and Kazakhstan, which coincided with record demand from major producers.

Nevertheless, dealers remained slightly bullish on the yellow metal's prospects. "If anything, a look above the \$390 strike level is more likely than a \$385," a dealer told Reuters yesterday.

Richard Mooney

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Price, Change, High, Low, Vol. Includes Aluminum, Lead, Nickel, Zinc, Tin, Copper, Silver, and Gold.

PRECIOUS METALS continued

Table with columns: Metal, Price, Change, High, Low, Vol. Includes Platinum, Palladium, Silver, and Gold.

GRAINS AND OIL SEEDS

Table with columns: Commodity, Price, Change, High, Low, Vol. Includes Wheat, Maize, Soybeans, and Rapeseed.

SOFTS

Table with columns: Commodity, Price, Change, High, Low, Vol. Includes Cocoa, Coffee, and Sugar.

MEAT AND LIVESTOCK

Table with columns: Commodity, Price, Change, High, Low, Vol. Includes Live Cattle, Live Hogs, and Pork Bellies.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Gold, Silver, Copper, Lead, Nickel, Zinc, Tin, Aluminum, and various oils.

WORLD BOND PRICES

Table showing world bond prices for various countries including Australia, Belgium, Canada, Denmark, France, Germany, Ireland, Japan, Netherlands, Portugal, Spain, Sweden, UK Gilts, and US Treasury.

MARKET REPORT

By Sarnar Iskandar in London and Lisa Branston in New York. chases by the Federal Reserve.

Near midday, the benchmark 30-year Treasury was 1/8 stronger at 100 1/4 to yield 6.697 per cent. At the short end of the maturity spectrum, the two-year note was 1/8 stronger at 100 1/2, yielding 5.907 per cent.

The slope of the yield curve between two-year and 30-year maturities flattened by 4 basis points to 79 basis points as fears of inflationary pressure waned.

Bonds jumped in early morning trade after the Labor department said that the producer price index was unchanged in July and that the core PPI, which excludes the volatile food and energy components, rose 0.1 per cent.

US Treasuries were supported by surprisingly weak figures on wholesale prices and a round of coupon purchases by the Federal Reserve.

US INTEREST RATES

Table showing US interest rates for Treasury Bills and Bond Futures.

BOND FUTURES AND OPTIONS

Table showing bond futures and options for France, Germany, and Italy.

FT ACTUARIES FIXED INTEREST INDICES

Table showing FT Actuaries Fixed Interest Indices for various maturities.

FT FIXED INTEREST INDICES

Table showing FT Fixed Interest Indices for various maturities.

UK GILTS PRICES

Table showing UK Gilts prices for various maturities.

UK NATIONAL ITALIAN GOVT. BOND (BTP) FUTURES

Table showing UK National Italian Govt. Bond (BTP) Futures.

ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFE)

Table showing Italian Govt. Bond (BTP) Futures Options (Life).

SPANISH NATIONAL SPANISH BOND FUTURES (MFF)

Table showing Spanish National Spanish Bond Futures (MFF).

UK NATIONAL UK GILT FUTURES (LIFBY) 500,000 5 1/2% OF 100%

Table showing UK National UK Gilt Futures (LIFBY) 500,000 5 1/2% of 100%.

ENERGY

Table showing energy prices for Crude Oil NYMEX and Crude Oil ICE.

NATURAL GAS NYMEX (10,000 mmbtu)

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UNREFINED GASOLINE NYMEX (42,000 US gal)

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Table showing heating oil prices for NYMEX.

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Table showing soybean meal prices for CBOT.

SOYBEAN OIL CBOT (50,000 lbs)

Table showing soybean oil prices for CBOT.

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Table showing wheat prices for CBOT.

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Table showing maize prices for CBOT.

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Table showing coffee prices for LCE.

COFFEE ICE (50,000 lbs)

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COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday August 10 1996

Pilot's guide for Mr Clarke

Manoeuvring a supertanker in confined waters was once likened to standing at one end of Westminster Bridge, trying to steer the other end across Whitehall. Sometimes, Mr Kenneth Clarke, the UK Chancellor, must think of his job in the same way. In the coming months, certainly, he will need to remember that the economy's turning circle is much greater than the distance between now and the next election.

Some Tory MPs now have only one idea in their heads, that being "votes". Others may sketch a tranquil picture. Inflation is subdued and falling. The economy is growing at a modestly accelerating pace. People's interest payments (on mortgages in many cases) have fallen back to only about 8 per cent of their incomes, about half the level in 1990. The recovery of house prices is at last helping those trapped in the rubble of a collapsing market at the end of the 1980s to escape from negative equity.

The stock market, meanwhile, provides sober cheer. There has not been a sterling crisis for almost four years. Above all unemployment has come down far faster than it did during the previous economic recovery in the mid-1980s. So why should Mr Clarke not sit back with his favourite cigar, let the vessel plough on and perhaps call up a few more revs in the autumn?

Past tempests

It certainly is true that compared with past tempests in Tory memory - inflation touching 22 per cent, base rates of 17 per cent, unemployment apparently stuck above 3m, a decline in manufacturing output of 14 per cent - today's statistics look tranquil. Yet to Mr Clarke's credit, he has largely avoided the bragging about economic performance which made the Tories look so silly at the end of the last decade and has been a root of their unpopularity ever since. Mrs Margaret Thatcher's golden age of low inflation, rapid growth and declining unemployment was found to be purchased with borrowed money.

This debt still hangs over the UK economy. The Bank of England observed drily in its Inflation Report this week that the government forecast of its deficit this year, at 4 per cent of GDP, is twice what it was expecting only 21 months ago. It warns: "In the longer term... such deficits cannot be reconciled with hitting the inflation target as well as maintaining a sustainable fiscal position."

This is the nub of Mr Clarke's difficulty. Although the numbers may seem more benign, the problem is the same as in more turbulent periods: achieving an inflation target of 2½ per cent now may be just as hard as getting it down to 5 per cent when wages and commodity prices were buoyant.

Rising inflation

Moreover, in previous times the UK government fudged its inflation objectives in a middle of monetary targets and aspirational phrases. Mr Clarke has, by contrast, set a fairly clear objective on which his and the government's credibility now hangs. This target is by no means over-ambitious considering the feebleness of price pressures elsewhere in the industrial world. Inflation is less than 2 per cent in Germany, Canada and Japan, and even in Italy it has fallen to 4 per cent.

The Bank therefore needs to be taken seriously in its warning that rapid growth of the money supply, a consumer-led pick-up in the economy and the high government deficit may lead to rising inflation. Even though it expects only a modest increase in the next two years, any attempt to speed up the economy before the election could repeat the error of the late 1980s, when inflation accelerated rapidly from 2.4 per cent in July 1986 to more than 10 per cent by the end of the decade.

Yet holding down inflation and trimming the deficit may not be easy while unemployment remains at its present level. The Bank shows that the continued fall in headline unemployment masks a less happy trend. The fall in the numbers out of work represents less the creation of new full time jobs than a move to part time working, especially by women, and an increase in the number of "discouraged" workers who have simply given up looking for a job.

Consequently, there is still a sizeable gap between the amount of work which people want to do and the jobs on offer. Although this is an electoral liability, Mr Clarke must resist pressures to put on a quick burst of speed. This would only lead to a collision with his inflation objective or the need to reduce the government deficit. These remain his markers to a safe haven, even if he is not the chancellor when it is reached.

Death and drugs in the Cape

South Africans faced with a murder rate six times as high as in the US are taking the law into their own hands, says Roger Matthews

Public anger at worsening crime levels in South Africa finally exploded this week. Not, as might have been expected, among the affluent whites erupting from behind their high walls in the northern suburbs of Johannesburg, but in the poorer areas of Cape Town where the impact of the crime wave is felt even more acutely.

A well-organised crowd of several hundred armed Moslems gathered after prayers last Sunday evening, and drove in a convoy that stretched more than a kilometre to the home of a suspected drug dealer. Observers said it was an orderly, almost military operation. In the 15-minute gunbattle that followed one of their main targets was shot dead, set alight by petrol bombs, and his body repeatedly kicked. Eighteen other people were wounded. The police, which accompanied the convoy, and watching the gunbattles did not intervene. No arrests have since been made.

The entire episode was filmed by television crews, and even in a society hardened by violence, it provoked strong reactions. "I, and several friends, watched with undisguised admiration, smirks of satisfaction on our faces, as the crowd gave Bashad [the murdered man] his come uppance," wrote Mr Thami Mazwai, editor of Enterprise magazine, and chairman of the black editors' forum.



Gun law: a member of the Moslem vigilante group People Against Gangsterism and Drugs during a demonstration this week

His attitude was reflected in an opinion poll carried out by a Cape Town newspaper, in which 70 per cent of the respondents approved of the action by the members of People Against Gangsterism and Drugs (Pagad), a community pressure group established at the end of last year. A recent study of crime, violence and investment, sponsored by Nedcor, the banking group, showed that more than 45 per cent of people questioned put crime as South Africa's biggest problem. Unemployment, which affects at least 33 per cent of the workforce, was a distant second.

The cost of all forms of crime last year, according to Nedcor, was a minimum of R31bn (24bn), equivalent to 18 per cent of this year's national budget "and completely unsustainable in a developing economy". And most companies questioned said crime was the biggest deterrent to new investment.

The government, which has been forced to bring in the army to reduce the threat of further violence during mass demonstrations planned for tomorrow in Cape Town, believes there is no short-term answer to crime. But in the face of public anger, and the threat of similar community action in other cities, President Nelson Mandela has pledged to announce tough anti-crime measures.

One of the slogans of the ruling African National Congress at last

November's local elections was "Tough on crime, tough on the causes of crime" - an echo of the phrase used by the UK Labour party.

The emphasis, however, was on the second part of the slogan. And the ANC can fairly blame many of today's problems on its inheritance from the apartheid era. Gang warfare has raged intermittently for many years in the suburbs of South Africa's biggest towns. Deprivation, poverty, unemployment, the political struggle against apartheid, and the social dislocation caused by parents forced to live apart from their children, have all contributed to increasing levels of violence.

The advent of democracy in April 1994 served, however, to make it all more visible. Last year there were approximately 21,000 crime-related deaths in South Africa, double the number of road accident victims, and six times the murder rate per capita in the US. "And every day another 2,500 South Africans require hospital treatment as a result of shootings, stabbings and beatings," says Mr Mark Shaw, senior researcher at the Institute for Defence Policy.

Mr Chris de Kock of the police information centre dislikes South Africa being labelled the murder capital of the world, and points out that Interpol statistics show Namibia, Swaziland and Honduras have higher rates. Rape, how-

ever, is a serious and growing problem.

The crime pattern is not uniform across the country. Most armed car-hijackings occur in Gauteng province which includes Johannesburg and Pretoria. So prevalent has this crime become that an incident this week, when a motorist had an ear bitten off before shooting dead one of his assailants in the Rosebank suburb of Johannesburg, rated only the briefest press mention.

The incident also underlines the extent to which guns are routinely carried by many, especially white, South Africans. At airports there are special check-in desks, just for guns. In the two years before the 1994 elections applications for gun licences averaged more than 20,000 a month. These fell to about 12,000 a month last year, but in what appears to be a response to worsening crime, again soared in the first quarter of this year to more than 18,000 a month. The more than 4m weapons held legally are thought by police to be only the tip of the iceberg, with large-scale smuggling in guns continuing across the porous borders from Mozambique and elsewhere.

South Africa's re-entry into the world economy has added, another alarming dimension, to which Pagad, in particular is responding. Mr Robert Gelbard,

US assistant secretary of state for international narcotics and law enforcement affairs, told a recent conference that South Africa, with its sophisticated transport and banking infrastructure, and relatively poor border controls, was emerging as one of the global centres of the drugs trade.

He estimated that 136 drug networks were operating in the country, many of them controlled by Nigerians. "According to South African officials, some 50,000 Nigerian immigrants are in the country, some with long histories of contraband smuggling," he said. Cocaine was the biggest problem, said Mr Gelbard, with seizures up 200 per cent last year, while the retail value of South Africa's own marijuana crop could be as high as \$4.5bn. "South Africa is already beginning to feel the sting of increased crime and violence associated with the drug trade," he added.

The police and the criminal justice system are inevitably creaking under the combined pressure. Although senior officers complain about severe undermanning, Mr Shaw does not believe this is the real problem. He says that the South African figure of one policeman for every 328 people compares favourably with the international average of one for every 1,014.

"What has been virtually ignored under the new order is the issue of detecting crime," he says. "Much work is needed to

transform the system from one based on confessions to a detection-based system. The consequences have been severe. Last year only a quarter of robberies were resolved, a fifth of house-breakings, one tenth of vehicle thefts and less than 50 per cent of murders".

The Nedcor study further revealed that of every 430 people arrested, only 77 were convicted. The report added that 94 per cent of those released after a jail sentence resumed their criminal activities.

Such figures contribute to the public lack of confidence in both police and justice systems, an attitude that is particularly prevalent in the black townships where the historic distrust of law enforcement is exacerbated by an assumption that many officers are corrupt, and often engaged in crime.

For the past two and a half years, South Africans in general have been patient with their government. Few blacks expected new houses, water, electricity and jobs to appear overnight, and have even been understanding when the government fell well short of its delivery targets.

What none had expected was that anything could get worse for the majority of citizens under the new political dispensation. It has, and this week the ANC has begun to realise how serious the implications could be.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5338. e-mail: letters.editor@ft.com. Published letters are also available on the FT web site, <http://www.ft.com>. Translation may be available for letters written in the main international languages.

Nations face challenge of role as protector

From Mr Dan Goncharoff.
Sir, Edward Mortimer's conclusion ("A mild patriotism", August 7) that "civic nationalism" cannot divorce itself completely from culture and ethnicity seems valid, but paints a black and white picture in a situation where reality is varying shades of grey.

The challenge for all forms of civic nationalism is to provide room for cultural and ethnic minorities to be free to be themselves within both the confines of law and reasonable standards of fairness. Banning the wearing of scarves while allowing the wearing of discreet crucifixes, for example, would

not seem fair. Wearing different clothes, or practising a different religion, should not represent rejection of the values of the civic nation. But if the laws are fair, and reasonably applied, then all citizens follow them.

The reality most nations states have to recognise is that they are not ethnically or culturally pure, and the most dangerous act is to forget that the civic nation is the best protection for the weak, including cultural minorities, from the strong.

Dan Goncharoff,
A38tettstrasse 6,
D-60322 Frankfurt,
Germany

No subsidy for grouse moors

From Mr Richard Blackmore.
Sir, It is hard to imagine what economic justification there could be for the European Union subsidising the operation of grouse moors by Scottish landowners ("Landowners seek EU aid for grouse moors, August 8). Contrary to the claim of the Scottish Landowners Federation that the management of grouse moors makes an important contribution to conservation management in the uplands, there is in fact an increasingly strong body of scientific evidence to suggest the reverse is the case. The notion that grouse moors bring considerable economic benefits to Scotland is also hardly sustainable given the annual levels of turnover (£3m) and expenditure (£13.7m) which are quoted. The

productivity of senior executives may possibly be increased after they have downsized the grouse population a little further, but fortunately there are many other ways to ameliorate the stress of City life which are less demanding on the public purse.

If landowners wish to spend their own personal resources subsidising the leisure pursuits of a bygone age then they are free to do so, subject to whatever environmental planning and land use controls society chooses to impose. However, the idea that taxpayers' money should be employed to build a grouse moor is strictly for the birds.

Richard Blackmore,
8 Davidson Gardens,
Glasgow G14 9JH, UK

Diet and dreams in the pursuit of Olympic glory

From Mr Michael Hambley.
Sir, Dr James Wittehall's lamentations (Letters, August 8) over the poor performance of the British Olympic team at Atlanta and his concerns about the content of the national diet are indeed laudable. On a medal per capita basis the Australians (my adopted home) surely were among the most impressive, yet their couch potatoes seem to enjoy a diet remarkably similar to their British counterparts.

There is, however, the almost forgotten "X-factor", a growth hormone denied British children and budding athletes that is still freely available without prescription in Australia and for which no reliable blood content test yet exists. It is VEGEMITE!

Reliable sources inform reliably that the Australian Institute of Sport imported massive quantities of the concentrate and forced their athletes to consume this substance daily with their morning toast, and yet not even the Chinese lodged a protest.

Those who would leave "Old Blighty's" shores to compete in Sydney's games would do well to investigate the almost miraculous powers of this substance during the next four years.

Michael Hambley,
1-4-14 Azabudai,
Tokyo, Japan

From Mrs Barbara J. Lange.
Sir, Now that the Olympic Games are over I would like to share my concern over the anti "Dream Team" reporting by Caryl Phillips ("Other teams have more modest dreams", July

25). This from a country that won only one gold medal and had two members of its diving team selling off their Olympic T-shirts, bats and tote bags to raise money for dinner. This would never happen in the US because we send our multi-millionaires to the games. And, I ask you, what other country has any multi-millionaires in good enough shape to compete in the Olympics? Our "dream team" is up exercising when other multi-millionaires are deciding whether to have one last bottle of champagne before calling it a night.

The truth is that Americans love basketball. In Miami we are giving up our dearest waterfront public park (green space with trees) to pave over for a stadium (asphalt, concrete and the required horrendous structure) and taxing the tourists to fund it. And we're happy to throw in a few tax giveaways to team owner Mr Billionaire, who gets to rake in the profits. Because we love our basketball, we're willing to overlook a few anomalies.

At the Olympics the "Dream Team" was playing for the good old red white and blue and the endorsement dollars. So quit your anti-American athletic diatribe and allow us our moment of glory. Because as soon as they return to their respective teams it's every multi-millionaire for himself - today \$121m with the LA Lakers, tomorrow \$152m with the Miami Heat.

Barbara J. Lange,
3188 Via Abitare,
Coconut Grove,
Florida 33133, US



We helped Zoe beat a brain tumour.
Now we need your help to continue the fight for thousands of others.

When Zoe was just 17 months old, her parents received the dreadful news that their little girl had a malignant brain tumour and needed radiotherapy. Zoe won her fight and lived quite happily until she was 12.

Unfortunately that was when the cancer returned. The situation was made even more serious because Zoe had already received the maximum dosage of radiotherapy when treated as a baby. Again, Zoe beat the disease thanks to a pioneering new treatment supported by the Imperial Cancer Research Fund.

Today the cure rate for childhood cancers is over 50%. Very encouraging when you realise that just 25 years ago, around 90% of children with cancer died.

doctors and scientists are fighting over 200 forms of cancer. Thousands of children like Zoe are relying on their help. And yours.

Please make a donation today and help thousands more people win the fight against cancer.

Give people with cancer a fighting chance

Over 90p in every £1 donated goes directly to our vital research

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Expiry Date: / / Signature: _____

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Imperial Cancer Research Fund

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COMMENT & ANALYSIS

Man in the News · Alistair Simpson

An unlikely champion

John Murray Brown on the 'boy' at the centre of the Londonderry row

In his shabby pin-striped suit, Mr Alistair Simpson seems an improbable champion of any cause. And the Londonderry community worker is far from comfortable with the responsibility thrust upon him this weekend.

As Northern Ireland teeters on the brink of further violence, Mr Simpson, governor of the Derry Apprentice Boys, a loyalist group that commemorates events 300 years ago, finds himself at the centre of a bitter dispute over his organisation's annual march. Churchmen and local politicians fear the confrontation between unionists and nationalists in Londonderry could plunge Ulster back into the dark years of the Troubles.

Attempts have been under way for two weeks to find an agreement to allow the parade to take its traditional route along the city walls, part of which overlooks the nationalist Bogside area.

Despite negotiations between the Apprentice Boys and nationalist protesters - chaired by the local nationalist MP Mr John Hume - those efforts broke down on Tuesday. The following day, Sir Patrick Mayhew, the Northern Ireland

secretary, outraged unionists by ordering police and soldiers to block all access to the contentious 400m stretch of the battlements.

Mr Simpson hardly fits the nationalist caricature of the Protestant supremacist. Made redundant three years ago from the local St Brendan's liquor factory where he was the customs and excise officer, he now helps to build houses in the Protestant enclave of the Fountain in an attempt to encourage young families back into the area.

"I'm 57, I've been an Apprentice Boy for 41 years, and I feel I've aged 10 years in the last four weeks," says Mr Simpson. "I know my wife's very worried although she'll never say anything."

Today, more than 10,000 Apprentice Boys and 180 flute bands from throughout the province will converge on this largely Roman Catholic city to commemorate

events in 1689 when 13 apprentices closed the gates to fend off the forces of the Catholic King James II at the start of a 106-day siege. Last night, in an apparent attempt to diffuse tensions, nationalists rerouted a planned march away from the Fountain, the only Protestant area on the west side of Londonderry.

In Mr Simpson's Fountain office in the shadow of the city walls, it is easy to appreciate the vulnerability of Londonderry's shrinking Protestant community. In the last three decades many residents have migrated across the Foyle river to safer Protestant areas. Of the present Fountain community of around 1,000 people it is estimated that up to 15,000 Protestants have left the west side of the city since the Troubles began.

Ringed by high steel fences for protection, the Fountain is a small zone of

some 200 families in houses painted in loyalist memorabilia. The sense of being under siege is palpable.

Protestants in Waterside, across the river from Bogside and the old town, have turned their back on the city and tend to shop in Coleraine, 20 miles away, rather than cross the bridge into the Catholic area.

Mr Tony Crowe, chairman of the Fountain Trust, likens the situation of the inhabitants of the Fountain to tensions between Jews and Arabs in Jerusalem. "When will people realise that walking the walls [of Londonderry] is like Jews being allowed to go to the wailing wall?"

Mr Simpson puts a brave face on the unresolved conflict. He insists - as do the nationalist spokesmen - that violence will not be provoked by his side. He can even see some merit in this week's abortive talks. "John

Hume probably didn't know who I was a few weeks ago," he says. "But the crisis has brought us together. You know there is one thing we have which the Bogside residents will never have, and that is a love for this city."

In the nationalist community too, some believe the negotiating exercise has been worthwhile. Mr Deaglan McLaughlin, an artist renowned in the Bogside for his nationalist murals, believes the negotiations mark a new maturity in the working class ghetto. "In the old days, we would have relied on the IRA to sort this out. This is a much more healthy way to do it."

But there is intransigence on both sides and the fact remains that the talks failed. Londonderry nationalists of all political shades are determined not to allow a repeat of last month's events in Portadown when police forced a way for a

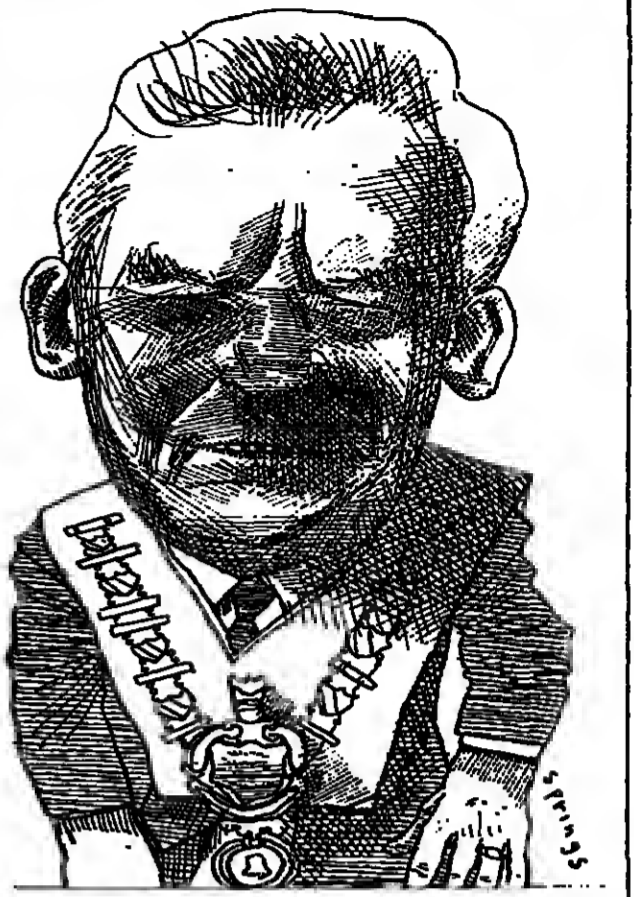
Protestant Orange march through a Catholic housing estate.

The dispute of recent weeks has painful parallels with the start of the Troubles. Londonderry is again a flashpoint as it was in 1969. A march by the Apprentice Boys is again the cause of local nationalist anger.

And if Londonderry, which has little of the hard sectarianism of Belfast, fails to find an accommodation to a local dispute, what hope is there for wider attempts to bridge the gap between the two traditions?

Londonderry, once a byword for unionist gerrymandering, has in recent years become a rare model for power sharing at local government, and has made much of its image as a model for inter-communal harmony. On the tricentenary of the siege in 1689, the nationalist-dominated city council funded a three-day pageant to celebrate the occasion.

Mr John Bruton, the Irish prime minister, has urged nationalists to recognise the centrality of the siege celebrations for unionists. But in the heat of the marching season such well-intentioned words are rarely sufficient.



Life, the universe and everything

Clive Cookson on the plans by the US space agency to investigate Mars for signs of life

This week's sensational claim that Martian microbes have landed on Earth could not have come at a better time for those concerned. News was thin on the ground, even by August's standards, so the media leaped at the story. For NASA, the cash-starved US space agency, the mission to find life on Mars could provide a powerful new source of public support and funds. And President Bill Clinton took the opportunity to make a Kennedy-like pledge of aggressive support for Martian exploration.

The tone of the coverage was set by statements such as President Clinton's about "one of the most stunning insights into our universe that science has ever uncovered". The ifs and buts took a distant second place.

In fact, there is considerable scientific doubt about whether the meteorite, discovered 12 years ago on the Antarctic ice cap, really contains the fossilised remains of Martian organisms.

The NASA scientists, who will publish their full evidence in the journal *Science* next week, say that "none of these observations is in itself conclusive for the existence of past life. Although there are alternative explanations for each of these phenomena taken individually, when considered collectively... we conclude that they are evidence for primitive life on early Mars."

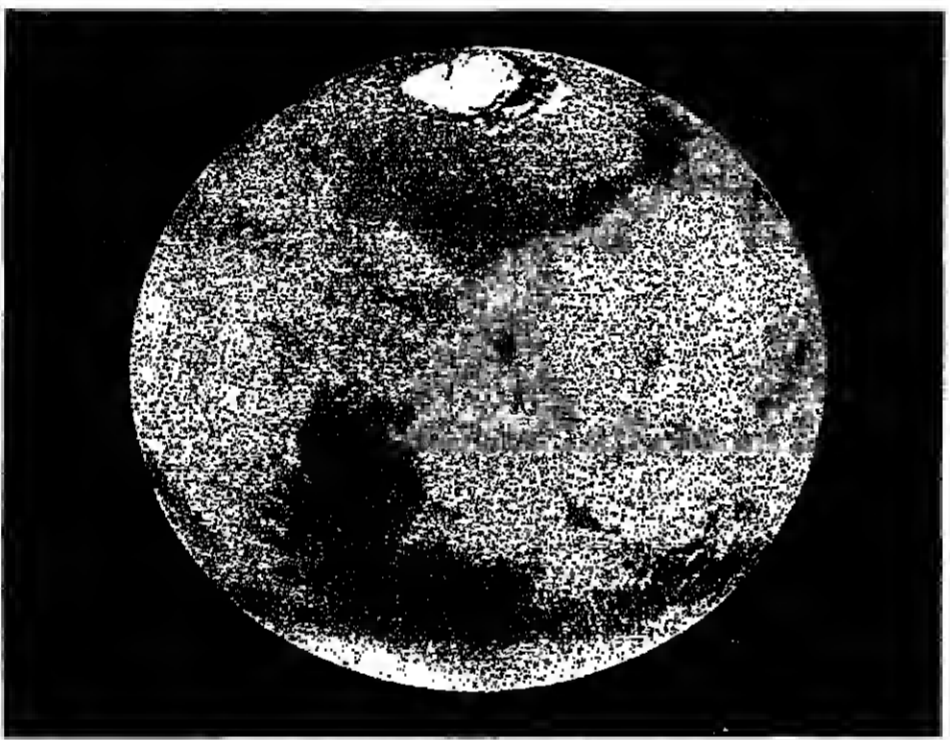
Some other specialists are much more sceptical. One of the most prominent is Professor William Schopf, an expert on ancient bacteria at the University of California, Los Angeles, who says NASA's evidence is far from conclusive.

Prof Schopf points out, for example, that the presumed micro-fossils - tiny tube-like structures smaller than any ancient bacteria discovered in terrestrial rocks - show no sign of the cell walls that any organism requires to contain the juices of life.

The 2kg rock is one of a dozen meteorites that are believed on the basis of detailed chemical and physical analysis to have originated on Mars. It was part of the debris blasted into space when a huge asteroid hit the red planet about 15m years ago. Thirteen thousand years ago, it was swept up by Earth's gravitational field and crashed into an Antarctic ice field, where scientists found it in 1984.

Meteorite ALH84001 crystallised from molten rock 4.5bn years ago, soon after the solar system had formed from a cloud of interstellar dust. The presumed microbes would have colonised cracks in the rock as long ago as 3.5bn years, when Mars had a warm wet climate similar to Earth's.

They left behind traces of chemicals that are associated with fossilised microorganisms on Earth: carbonate and iron minerals and, most tellingly, organic compounds called polycyclic aromatic hydrocarbons. Although PAHs can arise non-biologically they are a strong sign of past biological activity.



Big Red: Mars now seems too cold and dry to support life on its surface

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If the Martian fossils are genuine, it is conceivable that life on Earth and Mars had a common origin. A meteorite could possibly have carried primordial organisms from one planet to the other - or both could have been "seeded" from another source somewhere else in the galaxy.

But it is far more likely that life started independently on the two neighbouring planets. If so, the discovery will add weight to the view held by many scientists that self-replicating and evolving molecules - the first step to living creatures - will arise under the conditions prevailing on millions of young planets throughout the galaxy.

What is far less certain is how frequently the conditions remain hospitable for long enough to allow primitive organisms to evolve into an intelligent civilisation. On Earth, this process has taken 3.5bn years.

Mars seems now to be too

cold and dry to support even primitive microbes - at least on the planetary surface. But life may have retreated underground, where there is still liquid water heated by volcanic activity. Some terrestrial microbes are known to survive in conditions of extreme heat and pressure within rock structures thousands of metres deep.

Meteorite ALH84001 will be subjected to many more tests over the next few years in an effort to confirm or disprove the biological origin of its "fossils". Scientists will use more powerful electron microscopes to look for signs of cell-like structure, and sensitive analytical instruments will search out molecules such as amino or nucleic acids that are vital for life on Earth.

But these tests are unlikely to settle the scientific arguments conclusively. As Mr Ed Weiler, a NASA scientist, says: "The real proof may not come until we go to Mars or send a probe there

and bring back a chunk."

As it happens, NASA is planning to send a series of 10 unmanned spacecraft to Mars over the next 10 years - having more or less ignored the planet since the Viking landings in 1976.

The first two missions, Mars Global Surveyor and Mars Pathfinder, are due for launch in November and December. The latter will land a mini-rover to examine rocks in July 1997.

Over the next few years, increasingly sophisticated landers equipped with digging equipment and robotic instruments will search for signs of Martian biology, whether fossilised or living. The first mission to return a rock sample to Earth could be launched as early as 2003, particularly if NASA agrees to co-operate with the Russian, European and Japanese space agencies on an international framework for Martian exploration.

"I intend the world space leadership to work with us on this," says Mr Dan Goldin, NASA administrator. The US has a long-term commitment to manned exploration of Mars but NASA says the detailed planning of such a voyage will have to wait until the International Space Station has been completed - in 2002 at the earliest.

The 15th space station will be an essential staging post for any manned missions to Mars. It will give astronauts experience of working for many months in weightless conditions. And it may be needed to "quarantine" material brought back from the planet before it is examined on Earth.

Indeed, from NASA's point of view, the only disadvantage of the public knowledge that there was once life on Mars is that environmental activists may fight its plans to bring back Martian material on the grounds that alien microbes could infect the Earth. Scientists say the risk of this happening is virtually zero - any organisms adapted to life on Mars today would not flourish here - but NASA is quietly planning a legal and technical defence to reassure the public and fend off lawsuits.

On Monday, the Glorious Twelfth of August, Mr Malcolm Borthwick will open the first day of driven grouse shooting on his grouse moor in southern Scotland. Beaters, keepers and dogs - the foot soldiers of a grouse shoot - will be marshalled to drive birds over Americans with shotguns.

For Mr Borthwick, who runs his shooting estate strictly as a business, it will be a relief to offer clients his most prized and lucrative product after three blank years when there were too few grouse to permit shooting.

Elsewhere in Scotland, there are signs of revival on the grouse moors. On the three moors in the Borders owned by the Duke of Buccleuch, grouse drives will begin again after three years during which shooting was confined to the inferior sport of the shooters themselves driving the birds into the air with dogs.

The Game Conservancy, a research organisation which monitors grouse stocks, says the 1996 season on the moors of northern England, Wales and Scotland offers the best prospects for "a number of years".

Why does the quest for not more than 450,000 grouse a year on 460 British moors matter so much? Grouse are imbued with glamour because their speed makes them challenging to shoot and some people will pay highly for the sport. But while a day's shooting may cost a sportsman around £700, few people expect to make money out of owning grouse moors. It is a business for the rich.

Then there is the allure of a bird which has surrendered so little of its freedom to man: it is impossible to rear grouse in captivity and the number of young grouse a moor supports depends on nature rather than on the best efforts of the gamekeeper.

That was demonstrated in May 1993 when a foot or two of snow fell on the hills of Scotland: this freak of climate killed the newly-born grouse, and many moors have been struggling to rebuild their stocks.

The recovery has been hampered by a series of cold

Ready, steady, shoot

After three blank years, the grouse are back for the Glorious Twelfth, says James Buxton



THIS IS YOUR FIRST 'GLORIOUS TWELFTH' I BELIEVE...

springs which have killed many of the vulnerable young chicks. In addition, poor weather in early summer has reduced the number of insects for the young birds to eat. Shortages of places for grouse to drink means they congregate, encouraging the spread of endemic diseases.

Although the weather this year has been more favourable, Mr Borthwick stresses that the recovery in Scotland is only partial. He intends to lay on 13 days of driven grouse shooting, rising to 19 if stocks of young birds hold out; but in a good year he would have had 30 or 35 driven days.

The positive note struck by the Game Conservancy does not find echoes everywhere north of the border. At the Inverness-based company Sport in Scotland, which organises game shooting for visitors, Mr Peter Swales says that after three years in which he was unable to make any grouse shooting bookings, he has this year made only seven, against 50 in a good year.

"A moor north of Blairgowrie was just on the phone; they've been out with their pointers, not seen their

grouse and have cancelled the grouse shooting," he says.

Mr Borthwick says the lack of young grouse has cost him £120,000 in lost revenue each year. Mr Michael Clarke, managing director of the Buccleuch estates, says the cost of managing its moors is about £100,000 a year, irrespective of bird numbers, and includes paying the keepers, maintaining the roads and burning the heather.

"We would hope to recoup that in a good year by letting the shooting; we won't recoup more than 25 per cent of it this year," he says.

That confirms the bleak economic picture of Scottish grouse moors painted this week by the Scottish Landowners Federation, the private landowners' organisation, and the Game Conservancy.

They presented an academic study which suggested that in 1994, admittedly a very poor year, the revenue of Scottish grouse moor operators was only about £2m against expenditure of £13.7m. Employment on the grouse moors had fallen from the equivalent of 980 full-time jobs in 1989 to 580 in 1994.

Overall, grouse numbers have declined in Scotland since bumper years in the mid-1970s. Some moors have given way to commercial forestry, which means the departure of gamekeepers and the creation of woodland sanctuaries for predators such as foxes and legally protected sparrowhawks and hen harriers, which assail grouse on nearby moorland.

The Scottish Landowners Federation argues that because of the importance of grouse to the rural economy and to the ecology of the hills, some of the European Union's regional aid should go to assist moor owners.

Ultimately it would like to see spending under the Common Agricultural Policy directed not towards agricultural commodities but to land use, which would include shooting. But for that to be publicly acceptable grouse shooters may still have to shed their image of indulging in a sport for the privileged few.

Girl groups are the latest money-spinners in the teen music market, says Alice Rawsthorn

Spice without the sugar



Girls on top: Spice Girls and Dublin heart-throbs Boyzone

When Take That broke thousands of teenage hearts by splitting up this spring, the music industry's bets were on another band - probably the dimpled Dubliners of Boyzone - replacing them as the best-selling teen act.

Six months later the hottest phenomenon in the teenage music market is not a boy band, but a girl group.

The Spice Girls knocked Gary Barlow, Take That's former lead singer, off the top of the singles charts three weeks ago, and last week they beat his former colleague, Robbie Williams, into the number two slot.

"Wannabe", the Spice Girls' debut single, has already sold 700,000 copies and is expected to be number one for a fourth week when the new chart is unveiled tomorrow. Virgin, their record company, has high hopes for the first Spice Girls album due out next month, and rival labels are desperately trying to sign their own girl groups.

"When Take That first hit, we all raced around looking for boy bands - hence Boy-

zone and East 17," says one record company executive. "Now we're doing it all over again, but this time it's girl groups."

At stake is an expanding slice of the \$40bn (£27bn) global music market. Traditionally even best-selling teen acts have not been profitable for record companies. They make higher margins on the handful of older stars who combine commercial success with critical credibility, such as Warner's R.E.M. and PolyGram's U2.

These groups not only sell more albums than singles (singles are considerably less profitable because of heavy discounting and high promotional costs) but each new release triggers additional sales of old albums. They also tend to have broad international appeal and to enjoy lengthy careers. R.E.M., whose next album, "New Adventures in Hi-Fi", goes on sale in September, sold 9m copies of each of its previous releases, 1994's "Monster" and 1992's

"Automatic for the People".

By contrast, teen acts sell singles rather than albums, and are often popular only in their own countries, with occasional exceptions such as the Monkees in the 1960s and David Cassidy in the 1970s. Finally they often fizzle out after a few hits, as the Bay City Rollers did in the 1970s and Bros in the 1990s, then fall dismally to relaunch their careers as "mature" artists.

Yet the teenage market is changing and becoming more profitable. It is still dominated by singles. Boyzone has sold 3m singles and only 1m albums for PolyGram in the 18 months since Louis Walsh, a Dublin entrepreneur, advertised for an "Irish Take That". But rising sales of merchandise - such as books, T-shirts and souvenirs - compensate for low album sales. At this summer's Oasis concert, astute vendors have even been selling mushy "eyebrows" like those of Noel Gallagher, the band's leader.

The market is also becoming more internationalised. It is still rare for teen acts to have truly global appeal (even Take That faltered in the US and France) but they often sell in a few other countries. Thailand is Boyzone's biggest market after the UK; East 17 is popular in France and Germany.

And George Michael broke the mould by becoming one of the most successful solo artists of the 1980s after breaking up the teen duo, Wham!, "older", his latest album, has sold over 5m copies in three months. Robia Williams and Gary Barlow now hope to replicate his success.

Take That's split left a gap in the teen music market just as it was becoming more lucrative to the music industry. Hence record companies have invested in promoting other boy bands, notably Upset Down and Let Loose. PolyGram is rushing out a new Boyzone album and East 17's "Greatest Hits" before Christmas.

Meanwhile Virgin, one of EMI's labels, stepped up its efforts to find new pop acts. Earlier this year it signed the Spice Girls, a quintet aged between 18 and 21, who have been singing and dancing together since meeting two years ago after replying to an advertisement in *The Stage* newspaper.

At first Virgin's expectations of its new signing were not particularly high. Girl groups have fared well in the US teen market ever since the Chantels and Shirelles emerged in the late 1950s, and the Supremes became one of the best-selling acts of the late 1960s. One reason for Madonna's success in the 1980s and, more recently, Mariah Carey's, is their popularity with young girls.

But the UK has been less receptive to girl groups. Shampoo, a couple of Essex girls signed to EMI, sell more records in Japan than they do in their domestic market. The only recent success in the UK is EMI's Eter-

nal, whose image is so squeaky clean that they were chosen to sing the theme for the new Walt Disney film, *The Hunchback of Notre Dame*.

If Eternal cast themselves as "good girls", the Spice Girls are unashamed "bad girls", or "girlies with attitude" as one put it. One was once a footballer. Another confided to a tabloid newspaper that she plans to have her breasts surgically enhanced once the royalties roll in.

Yet the Spice Girls' raunchy image fills a niche in the market by positioning the band as a commercial version of the new genre of "strong women" singers, such as P. J. Harvey, Justine Frischmann of Elastica and Courtney Love, lead singer of Hole.

The little sisters of P. J. Harvey's older teenage fans seem to be buying "Wannabe", which is not only a hit in the UK, but is also selling well in Japan. Virgin is now awaiting the release of the Spice Girls' album to discover whether it has found the new Take That, or another Bros.

CURRENCIES AND MONEY

MARKETS REPORT

Franc queasy

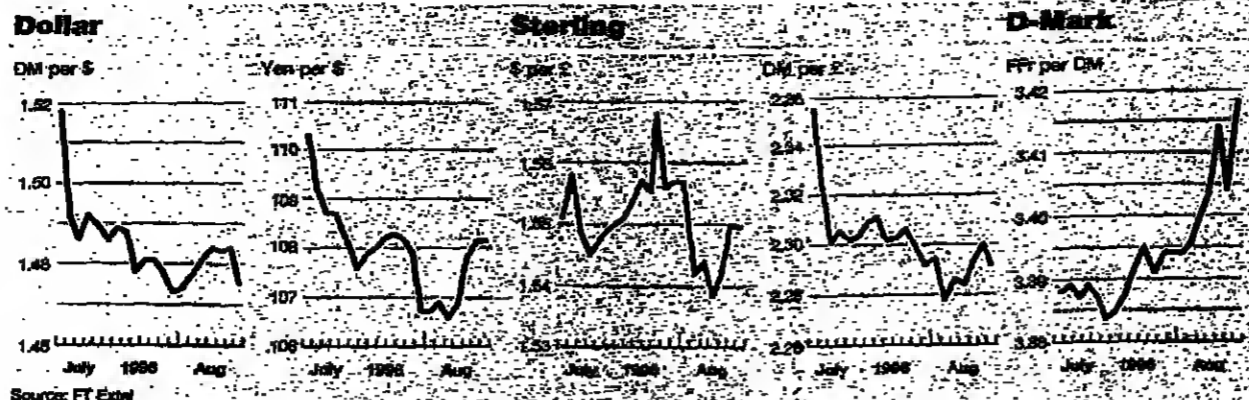
By Richard Adams

Against the yen it closed at Y108.115 from Y108.115. While sterling appeared largely indifferent to the problems of the franc and the peripheral European currencies, it still fell by nearly a pfenning against the D-Mark, ending at DM2.2907, from 2.3004. It was barely changed against the dollar at \$1.5495 from \$1.5496.

The market's focus stayed

■ Poured in New York Aug 9 - Lastest - Prev. close - 1 month 1.5490 1.5488 3 month 1.5497 1.5495 1 year 1.5449 1.5487

on the French franc, as it had for much of the week. Initially occupied by talk of a possible Franco-German treaty to delay the start of European monetary union, attention later moved to rumours that the government was considering



Source: FT Data

removing Mr Jean-Claude Trichet, the governor of the Bank of France, and a defender of a strong franc. The rumours - which were strongly denied - were fuelled by the government's announcement that it would investigate the former management of state-owned bank Credit Lyonnais over its large losses. The investigation could tar Mr Trichet who, as head of the Treasury at the time of the losses, was responsible for the supervision of state-owned banks.

Mr Jeremy Hawkins, chief economist at the Bank of America in London, described the rumours of a Chirac-Trichet split as a "worst case scenario for the franc." "The last thing they will want is a blatant split between the governor of the Bank of France and the government," France already faces widespread market scepticism over its ability to meet the Maastricht criteria.

Mr Hawkins said continued doubts could lead to further pressure on the franc next week. This might result in the unwinding of positions in higher yielding European markets, with investors seeking refuge in safe haven currencies like the D-Mark and Swiss franc.

Other analysts were more sanguine. Mr Philippe Jordan, vice-president at Daiwa Securities in New York, said speculators were waiting their time trying to sell French assets short. "They would be far better off in southern European markets because France is going to be part of the first round of EMU. There would have to be a major political breakdown for it to be excluded."

WORLD INTEREST RATES

Table with columns: MONEY RATES, Over night, One month, Three months, Six months, One year, Local, D.M., Rate. Rows include Belgium, France, Germany, etc.

LIBOR FT London, 3 month, 6 month, 9 month, 12 month, 18 month, 24 month, 36 month, 48 month, 60 month, 72 month, 84 month, 96 month, 108 month, 120 month, 132 month, 144 month, 156 month, 168 month, 180 month, 192 month, 204 month, 216 month, 228 month, 240 month, 252 month, 264 month, 276 month, 288 month, 300 month, 312 month, 324 month, 336 month, 348 month, 360 month, 372 month, 384 month, 396 month, 408 month, 420 month, 432 month, 444 month, 456 month, 468 month, 480 month, 492 month, 504 month, 516 month, 528 month, 540 month, 552 month, 564 month, 576 month, 588 month, 600 month, 612 month, 624 month, 636 month, 648 month, 660 month, 672 month, 684 month, 696 month, 708 month, 720 month, 732 month, 744 month, 756 month, 768 month, 780 month, 792 month, 804 month, 816 month, 828 month, 840 month, 852 month, 864 month, 876 month, 888 month, 900 month, 912 month, 924 month, 936 month, 948 month, 960 month, 972 month, 984 month, 996 month, 1008 month, 1020 month, 1032 month, 1044 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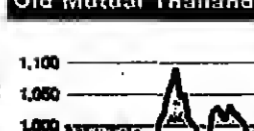
UNIT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

Franklin Health	1,470
NorthWest UK Smaller Cos	1,447
Friends Prov American Sm Cos	1,406
Invesco European Small Cos	1,392
Baring Europe Select	1,387

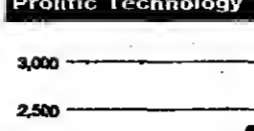
Old Mutual Thailand



TOP FIVE OVER 3 YEARS

Prolific Technology	2,270
Baring Europe Select	2,127
Morgan Grenfell Europe	2,115
Jupiter European	2,011
Hill Samuel US Smaller Cos	1,885

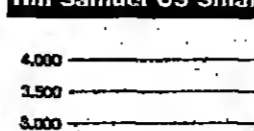
Prolific Technology



TOP FIVE OVER 5 YEARS

Hill Samuel US Smaller Cos	4,240
Prolific Technology	3,681
Barclays American Emerging	3,603
Mercury Gold & General	3,467
Hill Samuel UK Emerging Cos	3,436

Hill Samuel US Smaller



TOP FIVE OVER 10 YEARS

Friends Prov Asia/Pac	7,349
Barclays American Emerging	6,343
Abbotson Pacific	6,287
Barclays Hong Kong	6,217
Invesco S E Asia	6,217

Five Arrows Japan



BOTTOM FIVE OVER 1 YEAR

Comer Warrant	806
Old Mutual Thailand Acc	861
Abbotson Fund of Invest Distribution	874
Hil Warrant Portfolio	873
F&C Emerging Asia	884

BOTTOM FIVE OVER 3 YEARS

Sanwa Japan	745
Barclays Uni Japan & Gen Inc	749
Five Arrows Japan	787
Govett Japan Growth	788
Save & Prosper Korea	771

BOTTOM FIVE OVER 5 YEARS

Friends Prov Japanese Sm Cos	821
Barclays Uni Japan & Gen Inc	822
Invesco Japan Growth	972
Govett Japan Growth	987
Fidelity Japan Smaller Cos	1,005

BOTTOM FIVE OVER 10 YEARS

Barclays Uni Japan & Gen Inc	888
Mercury Japan	886
M&G Japan & General Acc	987
CJ PPT Japan Growth	1,071
Five Arrows Japan	1,186

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. Source: HSW (01625 511311)

Indices

Average Unit Trust	1069	1259	1787	2643	3.8	2.8
Average Investment Trust	1085	1305	1881	3321	5.8	5.0
Bank	1035	1114	1348	-	0.0	4.3
Building Society	1005	1119	1256	1826	0.0	4.1
Stockmarket FT All-Share	1140	1415	1812	3469	3.4	4.0
Index	1021	1055	1141	1590	0.4	-

UK Eq & Bd

BWD Balanced Portfolio	1125	1487	1838	-	4.0	0.8
Credit Suisse High Income Port	1067	1385	1975	-	3.2	4.5
NPI UK Extra Income Inc	1060	1340	2102	-	3.2	2.9
Perpetual High Income	1047	1329	2024	-	3.1	4.0
Baillie Gifford Managed	1062	1258	1898	-	2.9	2.9
SECTOR AVERAGE	1045	1249	1878	2898	3.2	3.5

Nth America

BWD Balanced Portfolio	1125	1487	1838	-	4.0	0.8
Credit Suisse High Income Port	1067	1385	1975	-	3.2	4.5
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Perpetual High Income	1047	1329	2024	-	3.1	4.0
Baillie Gifford Managed	1062	1258	1898	-	2.9	2.9
SECTOR AVERAGE	1045	1249	1878	2898	3.2	3.5

Europe

Baring Europe Select	1387	2127	2224	2895	3.9	0.8
Morgan Grenfell Europe	1323	2115	2638	-	4.5	-
Jupiter European	1308	2011	2615	-	3.7	-
Invesco European Small Cos	1302	1925	2326	2802	3.7	-
Morgan Grenfell Europe Growth	1017	1881	2887	-	4.9	-
SECTOR AVERAGE	1109	1481	1911	2564	3.5	1.0

Japan

HI Samuel Japan Technology	1048	1140	1439	2540	6.7	-
Martin Currie Japan	1074	1080	1325	-	6.8	-
F&C Anglo Nippon Exempt	1113	1054	1283	2108	6.7	-
NatWest Japan Acc	1123	1053	-	-	5.9	-
Schroder Tokyo Inc	1008	1052	1503	2850	5.4	-
SECTOR AVERAGE	1027	899	1210	1828	6.6	0.1

Best Peps

Morgan Grenfell Europe	1228	2115	2838	-	4.5	-
Jupiter European	1205	2011	2615	-	3.7	-
Invesco European Small Cos	1202	1925	2326	2802	3.7	-
Morgan Grenfell Europe Growth	1017	1881	2887	-	4.9	-
Old Mutual European	1222	1987	2928	-	5.8	-
AVERAGE LIT PEP	1074	1815	2744	-	4.5	-

UK Growth

Jupiter UK Growth	1283	1808	2456	-	3.8	2.0
Credit Suisse Fellowship Inc	1207	1896	-	-	1.1	-
Barclays Uni Leisure	1170	1556	1987	2094	3.8	0.7
Sanwa UK Growth	1241	1538	-	-	3.8	1.8
Johnson Fry Stater Growth	1267	1525	2028	-	3.7	0.8
SECTOR AVERAGE	1091	1312	1706	2851	3.8	2.0

UK Growth & Income

Cazenove UK Equity	1130	1482	1836	-	2.8	3.2
Credit Suisse Growth Port Inc	1104	1431	1844	-	3.8	1.6
Morgan Grenfell UK Equity Inc	1081	1424	2046	-	3.3	3.7
Mercury UK Equity	1088	1419	1952	3891	3.4	2.5
Lazard UK Income & Growth	1078	1414	1771	3016	3.4	4.0
SECTOR AVERAGE	1058	1283	1806	2831	3.5	3.0

UK Smaller Companies

Hill Samuel UK Emerging Co's	1260	1812	3467	-	3.7	0.7
Invesco UK Smaller Companies	1356	1783	2399	2666	4.8	0.8
AES Smaller Companies	1301	1730	2396	-	3.7	0.8
Waverley Penny Share	1048	1726	2288	-	4.8	-
Centuria UK Smaller Companies	1298	1636	2019	2925	3.8	0.6
SECTOR AVERAGE	1138	1385	1955	2734	3.7	1.8

UK Equity Income

Jupiter Income	1190	1736	2753	-	3.7	4.5
GT Income	1173	1585	2329	3730	3.7	4.2
Lazard UK Income	1110	1424	1828	3712	3.4	5.3
BWD UK Equity Income	1099	1417	1724	2363	3.7	4.2
Britannia High Yield Inc	1138	1403	1979	-	3.5	3.8
SECTOR AVERAGE	1103	1229	1988	2884	3.5	4.9

UK Equity & Bond Income

Baillie Gifford Conv & General	1019	1353	2094	-	3.1	5.3
Prolific Extra Income	1098	1306	1893	2926	3.0	4.8
Cazenove UK Equity & Bond	1051	1271	-	-	3.9	6.4
Edinburgh High Distribution	1045	1240	1453	2458	3.8	4.3
NIP Higher Income	1055	1214	1832	3035	3.5	4.5
SECTOR AVERAGE	1027	1157	1531	2408	3.0	5.8

International Equity Income

Pembroke Equity Income	1089	1317	1754	2388	2.0	4.8
GT International Income	1149	1255	1875	2738	2.8	3.0
Martin Currie Intl Income	1059	1221	1888	-	3.2	3.8
M&G International Income	1088	1207	1818	2748	2.7	4.5
Mayflower Global Income	1039	1204	1657	1978	3.0	3.4
SECTOR AVERAGE	1084	1195	1748	2303	3.1	3.8

International Fixed Interest

Baring Global Bond	1104	1167	1873	-	1.9	6.5
Thomson Dresdner Europe Bnd	1057	1157	-	-	1.8	5.8
TSB International Income	1043	1133	1482	-	1.9	5.0
Barclays Uni European Bond Inc	1069	1129	-	-	1.5	6.7
Mercury Global Bond Acc	1051	1124	1817	-	1.7	6.9
SECTOR AVERAGE	1040	1084	1463	1744	2.0	5.5

International Equity & Bond

NPI Worldwide Income Inc	1118	1385	1887	-	3.1	1.4
Cazenove Portfolio	1086	1340	1752	-	2.7	2.4
Gartmore PS Long Term Balance	1109	1334	1881	-	3.1	2.9
Templeton Global Balanced Acc	1013	1318	1788	-	2.7	3.4
Bank of Ireland Ex Mgd Growth	1071	1310	1772	-	3.0	3.2
SECTOR AVERAGE	1063	1209	1814	2892	2.7	2.8

International Growth

Prolific Technology	1203	2270	4240	6024	5.8	-
Franklin Health	1470	1974	2715	-	6.4	-
HTR Global Technology	1032	1655	2589	5405	5.5	-
Britannia Intl Spec Opp's Acc	1220	1803	2511	-	4.8	-
Scot Equitable Technology	1108	1598	2235	4537	4.0	1.0
SECTOR AVERAGE	1082	1256	1728	2549	3.8	1.1

Far East inc Japan

Schroder Far East Growth Inc	1054	1407	2128	-	6.0	-
Abnott Pacific	1082	1324	2108	4212	4.8	0.3
Govett Greater China	1048	1301	2066	3191	5.8	0.2
Sun Life Far East Growth Acc	1005	1252	1877	2848	3.9	-
Profit For East	1045	1251	1858	2388	4.8	-
SECTOR AVERAGE	1026	1154	1774	2748	5.3	0.7

Far East exc Japan

HSBC Hong Kong Growth	1247	1854	3041	3189	9.1	1.1
Old Mutual Thailand	861	1528	3379	-	10.4	1.5
Schroder Pacific Growth Inc	1060	1500	2888	-	7.9	0.5
GT Orient Acc	1283	1482	-	-	7.9	0.2
Eagle Star Oriental Opps Acc	1071	1458	2111	-	7.7	0.2
SECTOR AVERAGE	1090	1303	2332	4926	7.3	0.8

Commodity & Energy

Mercury Gold & General	1088	1607	3803	-	8.9	0.4
Save & Prosper Gold & Exptn	1225	1578	3488	2775	8.9	-
Waverley Australasian Gold	1189	1454	2807	1513	11.0	-
M&G Commodity & General	1080	1423	1883	3457	5.4	0.4
M&G Australian & General Acc	1187	1340	1902	2981	6.4	2.8
SECTOR AVERAGE	1108	1346	2098	2933	8.9	0.8

High Income

City Merchants High Yield	1100	1305	2236	7	3.5	8.1
Gartmore Scotland (Units)	1072	1296	-	-	3.8	4.9
Dunfermline	1053	1244	1327	-	13	14.8
Fleming High Income	1058	1175	1369	9	5.4	5.9
Foreign & Colonial High Inc	1154	1181	1748	4	6.3	3.4
SECTOR AVERAGE	984	1149	1501	-	6.0	6.6

Split - Capital

MCI Cap	1270	2010	5000	4	4.8	-
Rights & Issues Cap	1088	1718	2573	11	8.2	2.3
Aberforth Split Level Cap	1215	1597	2586	25	5.8	-
Lloyds Smaller Companies Cap	1221	1588	-	-	25	5.4
M&G Income Cap	918	1474	-	-	62	8.1
SECTOR AVERAGE	981	1193	1614	-	7.8	9.2

UK General

Finsbury Trust	1157	1906	2304	11	4.8	2.4	
Mercury Keystone	1183	1706	2259	-3	4.8	2.9	
Finsbury Growth	1198	1842	2889	6	4.3	2.7	
Fleming Cloverhouse	1136	1363	1807	3	4.8	3.0	
Foreign & Colonial PEP	1044	1328	-	-	1	3.8	3.7
SECTOR AVERAGE	1089	1331	2031	-	4.5	3.0	

UK Capital Growth

Welsh Industrial	1239	1991	2083	25	8.2	5.0
Fleming Enterprise	1094	1332	1788	10	5.5	2.7
Kleinwort Endowment Policy	1202	1330	-			

Authorised Unit Trusts

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (044 171) 873 4376 for more details.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Bank of Ireland Funds, British American Insurance, and others, with columns for name, type, and price.

FT MANAGED FUNDS SERVICE

Main table listing FT Managed Funds Service products, including various equity, bond, and specialty funds, with columns for name, type, and price.

Table listing additional unit trusts and funds, including international and specialized investment vehicles, with columns for name, type, and price.

Advertisement for 'The Financial Times plans to publish a Survey on Reinsurance on Monday, September 9.' Includes text about the survey's focus on industry issues and contact information for William MacLeod.

Continuation of the FT Managed Funds Service table, listing various fund products and their details.

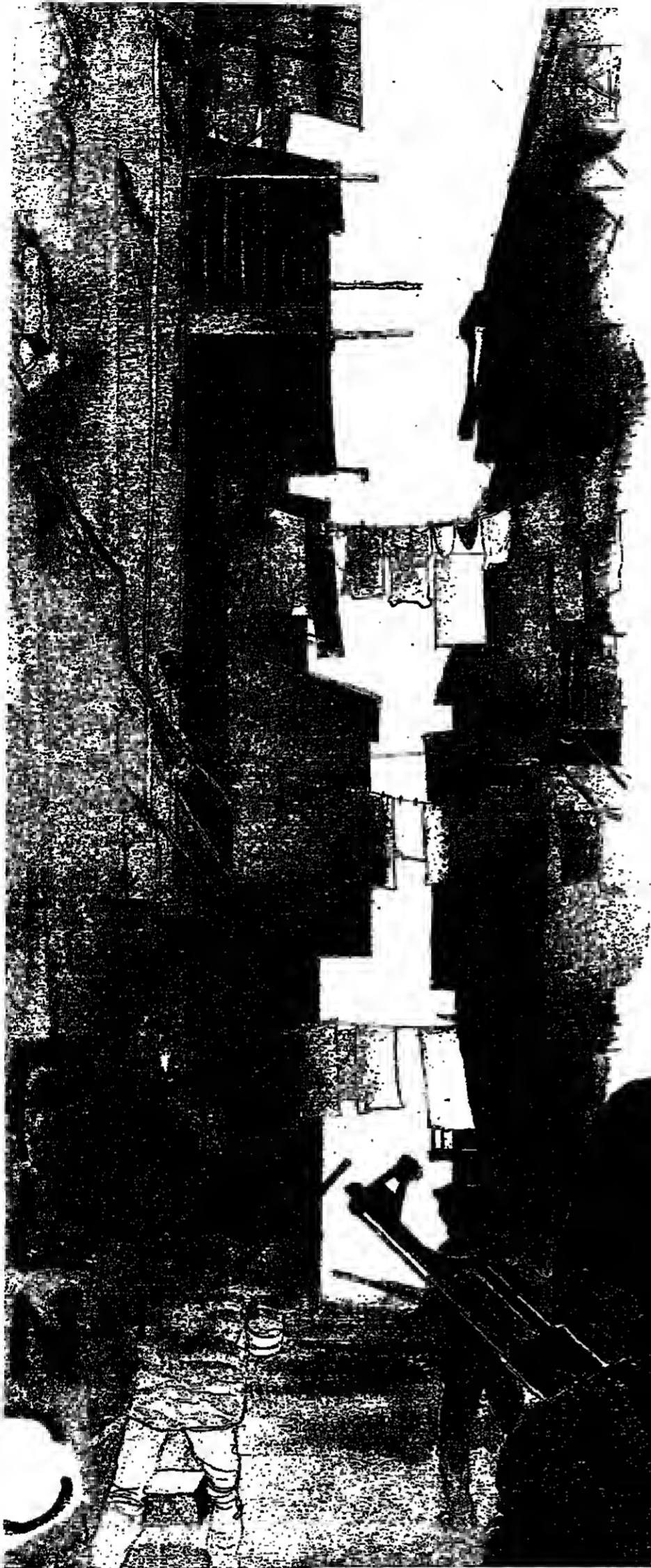
Advertisement for 'The lost emotional deprivation' by Hugh Dickinson. Includes a large headline and introductory text.

Advertisement for 'FT Surveys' with contact information and a small graphic.

Continuation of the FT Managed Funds Service table, listing various fund products and their details.

Advertisement for 'Guide to pricing of Authorised Unit Trusts' with detailed information about pricing methods and charges.

Weekend FT



Many people have lost their lives for Corsican Independence, but some deaths have had little to do with the cause, says Andrew Jack

When nationalist struggles give way to banditry

Robert Sozzi is still listed in the Bastia phone directory. The repairs to his living room ceiling are awaiting completion. But Sozzi is not coming home. Just over three years ago, walking to work from his apartment at 7.45am, he was shot dead.

His murder was not the first in the recent, bloody history of Corsican nationalism - dozens of people have been killed and many more injured in the past few years. Yet it served as the trigger to unleash a vicious and intensifying string of murders on the troubled Mediterranean island which shows little sign of abating.

Sozzi's death symbolised the increasingly violent struggle for greater Corsican autonomy from the French mainland which started in the 1960s. It also marked a shift away from nationalist idealism and highlighted the bitter internal rifts which are now gripping the nationalist movement.

"Robert was killed because they needed to make an example of someone," says Letizia Sozzi, his widow, who is still waiting for her husband's assassins to be brought to trial. "It worked. Others are threatened and

afraid. They keep quiet." She is referring to the actions of *FLNCanal historique*, the Corsican nationalist liberation front, the most powerful of the island's clandestine movements. It is an organisation which has splintered into factions in recent years while, say its critics, drifting away from its political roots towards criminal activity.

Like so much in Corsica, Sozzi's death was not an isolated incident. Events leading to it can be traced to the collapse of the Furiani football stadium in May 1992, which killed 18 spectators and injured another 1,500 during a game.

Sozzi, like Letizia, had long been associated with the FLNC. After becoming politically active at school he joined the group in 1985, aged 20. He later became an employee of Bastia Securita, a security company controlled by the nationalists. Sozzi was also a passionate football fan. He had visited the hastily-constructed stadium on the day of the disaster, but, says Letizia, left when he saw how fragile it was. Blame for the disaster turned towards Jean-François Filippi, a local politician and businessman and head of the Sporting Club of Bastia, who helped organise the game.

It was alleged that overcrowding in the stadium had enabled Filippi to raise extra funds which he could pay to the FLNC.

The group rejects the claim, although concedes that Filippi loaned the movement cars while it offered him protection against threats from local organised crime groups.

According to Letizia, Sozzi was outraged at the thought of protection being offered to Filippi by Bastia Securita, and he became frustrated at the FLNC's refusal to denounce a man alleged to be responsible for the Furiani stadium collapse.

statement was widely applauded. Edith Muzy, a nationalist militant, says the order was given to end dissent within the FLNC and serve as a warning to those who argued with its leaders.

"With the justification of legitimate defence, you create the conditions by which anything is permitted," Muzy says. "Sozzi's death was a way to pass the message internally of the law of

terror." She says that her husband, Franck Muzy, who was a member of the executive of the *Cuncoita*, the legal, political wing of the FLNC, had co-ordinated a committee of support for Sozzi. But "he was threatened".

The threat was not hollow. In a single week at the end of December 1994 there were four violent deaths on the island, including that of Jean-François Filippi and a day later that of Franck Muzy.

Reconstructing the recent history of Corsican nationalism is not easy. The traditional code of silence, reinforced by the prospect of violent reprisals, prevents people from talking.

"We risk our skin by speaking," says Daniella, a former militant, as she sips coffee in Place St Nicholas in Bastia. She points to four places around the city's main square, each the site of a recent assassination.

Most of the island's nationalist leaders are more willing to speak and keen to stress their own version of events which often places them above the unpleasant violence and racketeering. To meet them requires advance notice, a meeting

with an intermediary in a bar or on a country road, and then a journey to a safe place where the interview takes place in the company of guards wearing ambiguous bulging money belts which may contain guns.

I recently talked to Charles Pieri, one of the leaders of the *Cuncoita*, who was imprisoned in the 1980s for his militant activities. Two weeks later, on leaving his offices in the centre of Bastia, a car bomb killed one of his fellow militants and left him seriously injured.

The Corsican struggle was not always so dangerous. A series of protest groups began to emerge more than 30 years ago in response to what was widely seen as the arrogance of the centralist French state, exemplified by a proposal to site a nuclear experimentation centre on the island in 1960.

The emphasis on the dominance of French culture to the exclusion of local traditions has been pervasive. Danielle remembers a fierce battle in the Bastia town hall with a civil servant who refused to allow her to name her daughter after her mother because it was considered too Corsican. "I am not French by language, culture or geography and certainly not by history," she says.

Max Simeoni, one of the leaders of the more moderate autonomist *Union des Peuples Corses* political party, says: "I was in the last generation that was forbidden to speak Corsican at school. The teachers hit children who spoke it or who made faults in French."

Like many Corsicans, he can talk for hours about history, and especially the golden era of 1755-1768, when Pascal Paoli briefly established Corsica as an independent nation before being defeated by the French, who bought the island for a

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Hugh Dickinson

The lost language of tenderness

Emotional deprivation is endemic in our society, which placards sexual and erotic images everywhere

He was sitting beside a pillar in a shadowy side aisle and sobbing quietly into a grubby handkerchief. I recognised him as a probationer for the choir selected earlier in the year at the mature age of nine. There was no one about, so I sat down beside him and put my arm round him and comforted him as I had often comforted my own children 20 years ago. I listened to his misery and we agreed that life is horrid at times, but a friendly ear and a hug from a kindly adult work wonders. Just then a teacher from the school came past and I handed my young friend over - now much cheered up - to his pastoral care. Later that evening I met the young teacher again. He thanked me for looking after the boy, and then paused and looked me straight in the eye. "You know," he said, "I wouldn't have dared do that. It might have cost me my job." How sad that is. And yet

such is the terror of adults being open to accusations of abusing children that a whole range of natural and normal physical contacts between adults and children are open to suspicion. Many teachers hold back from any expressions of tenderness even with young children for fear they may be misinterpreted. Children are deprived of the physical contact they really need, and intuitively pick up from the adults around them an anxiety and reserve which must inhibit their own natural expression of affection. There is a whole cycle of emotional deprivation endemic to our society which I suspect is less prevalent in other cultures. Physical tenderness creates bonds of affection and friendship which enrich our relationships. But we do not allow ourselves much of it. For behind the warmth of expressions of physical affection there lurk the fires and volcanoes of powerful sexual drives. We have a society which placards sexual and erotic

images everywhere and suggests that sexual fulfilment regardless of other personal qualities is the be-all and end-all of human life. Heaven is beautiful people on a package tour making love on exotic beaches. In such a climate physical tenderness can only mean sexual foreplay. Tenderness between men signals homosexual advances. Tenderness between fathers and sons saps masculinity. It is absurd; and yet in a society which allows such taboos on tenderness to permeate so many relationships a whole range of possible personal interactions is seriously restricted. Psychotherapists working with adult abusers discover that there is invariably a history of childhood violence and abuse which may go back three generations or more. In such families physical contact means only violence or sex. Longing for affection and tenderness themselves they know no other language than the one which they learned at their moth-

er's knee. Gross violence against children such as the massacre at Dunblane has its origin in gross violence against a child 50 years ago. Paedophiles churn the stomach of any normal adult and provokes a punitive rage in almost all of us. Children pick up from adults an anxiety which inhibits their affection. But we do not care to look too closely at the origins of that rage any more than we are willing to listen to the childhood history of paedophiles and understand the motors that have driven them to such grossly distorted actions. The origins of love and hate lie deep within us all. Having some scapegoats around is a comfort. Meanwhile, perhaps we

can edge back the boundary, particularly for our teachers. We need to remember that most abuse takes place within the family, not in school. I have no idea how a society takes an affirmative action to change a culture. I suspect that all we can do for the family is to provide external and economic frameworks to support the most vulnerable family units, for physical and emotional deprivation are often connected. But we could put on offer imaginative adult courses for young parents, programmes on radio and TV, courses at university and in schools, to help our young people learn the complex and sophisticated arts and skills of bringing up children. Surely that skill is more important for our future than technological know-how? From my own pastoral contacts with young families I am acutely aware of the widespread lack of understanding of the most basic insights into the normal development of children

and their emotional needs. Many young parents are themselves emotionally immature or deprived. Their interactions with their children are driven more by their own emotional needs than those of their offspring. Teachers in the reception classes of primary schools report an increasing flood of four and five-year-olds arriving with no social skills and no concepts of boundaries. The first two years in school have often to be spent not on the three Rs but learning acceptable behaviour. The parents of such children frequently offer their children dysfunctional models of social behaviour and are verbally or physically abusive to teachers who are trying to help their children learn a different way of relating to other people. Among these children there will be some who, as a consequence, will be the abusers and the paedophiles of the next generation. Sow the wind and reap the whirlwind. It seems grossly unfair that the teachers get the blame for our neglect.

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PERSPECTIVES

The Nature of Things

In one ear and out of the other

Andrew Derrington looks at how female crickets are helping with the design of robots

If you want to understand what makes a female cricket susceptible to a male's chat-up line the best way is to build a robot that behaves like she does, according to Barbara Webb of the Department of Psychology at the University of Nottingham, who is doing just that.

There are other good reasons to make insect-like robots. "Insects have lots of special tricks for finding their way around," says Tom Collett who studies bees and wasps at the University of Sussex. Bees and wasps use visual landmarks to home in on their nests and on sources of food. Collett has recently shown that bees could use any of several different landmarks to find a food source - who he moved one landmark they could still use the others to locate their food. "A robot that could find its way around as well as an insect would be a great advance," says Nigel Shadbolt, who is from the

same department as Webb. "Insect-like robots would be cheap, lightweight and low in power consumption... they would be ideal for sending into space or other potentially hazardous places," he says. However before a general purpose robot can be endowed with an insect's abilities those abilities must first be investigated one by one in specialised simplified robots. Webb has used an oversize robot cricket to show that what looks like a complicated task with at least two separate components - recognising the right species of male and then heading towards it - is done all in one go

if the robot has an ear like a cricket's. She is now working on a more exact replica of the cricket's ear in the hope of explaining how the female cricket chooses which male to approach (usually the loudest) when several are singing within earshot. The male cricket sings by rubbing his wings together to make a series of chirps. The chirp consists of a brief high-frequency pure tone, known as a syllable. The syllable has a frequency between 4,000 and 5,000 cycles per second and lasts about 15 milliseconds. Each chirp consists of about four or five syllables about 30 milliseconds apart. The

female recognises males of her own species by the frequency of the tone in the syllables, and the repetition rate of the syllables in each chirp. A female cricket placed on a treadmill will walk for hours heading directly towards a loudspeaker that plays chirps with syllables of the right frequency and repetition rate. Webb used her robot to test the hypothesis that the female cricket's preference for males of her own species depends on the design of her ears rather than on complex decisions made in her brain. The ears are on the forelegs and are connected by a tube, the

trachea, so that sound waves literally go in one ear and come out the other. The loudness of a sound at each ear depends on whether the external sound waves coming in through the eardrum cancel or reinforce the internal sound waves coming through the trachea from the other ear. The internal sound waves are delayed by the time it takes to traverse the trachea, so whether they cancel or reinforce the external sound depends very precisely on the frequency of the sound and its distance from the two ears. The tracheal delay is exactly the right value so that when the

female faces directly towards a male of her own species, his chirps are equally loud in the two ears. However if she turns away from him, the sound will be louder in the ear closer to him. It only takes two brain cells in the cricket to add up the sound in each ear at the start of each chirp and make her turn towards the ear with the higher intensity, ensuring that she heads directly towards her man. The same circuit will ensure that if he chirps at too high or too low a frequency she heads away from him. And if the syllable rate is too fast the brain cells cannot add up the sound, if it is

too slow they do not send out correction signals quickly enough. The female cricket's "choice" of her own species is an illusion - her ear is simply incapable of sending her towards a male of the wrong species. Webb's present robot homes in on a synthetic chirp that is scaled down in frequency to match its oversized ear. She is now working on a smaller version that will have ears the same size as a female cricket. In this way she will be able to match it against real females following recorded sounds or even live males about the laboratory floor. The only real limitation on her robot is that it has wheels - present day robot legs are just not good enough for her to make a robot that she could take outdoors. ■ The author is professor of psychology at the University of Nottingham



Cameron Stewart: 'I realised I had got one of the four abiding tenets wrong'

Dispatches Water torture

Raindrops have stopped falling on Kieran Cooke's head

The technician picked up the phone, listened intently, sighed and replaced the receiver. "You're right," he said. "She's as dead as a maggot." The house in the west of Ireland is in truculent mood. Go away for a few weeks and it takes umbrage. The phone gives up the ghost and the electricians are on the blink with lights switching themselves on and off. Worst of all, the water system, always a difficult character to handle, has decided to go on strike. When we bought the house, the then owner, a crafty looking fellow with one eye permanently focused on the wallet region, assured us the lack of mains water was no problem. "I'd say the pipes will be laid within weeks, if not days," he said. That was 10 years ago and there appears to be as much chance of piped water coming in before the end of the century as Saddam Hussein becoming MP for Ballycroy.

We rely on the man above to open the sluice gates regularly and drench us with liquids. The water runs off the roof and fills up the aged holding tanks by the side of the house. Through an ingenious system which makes the rice terraces of China look primitive by comparison, water is then pumped by means of pipes, bits of hose and various devices into more tanks in the roof. While the system works in an irregular sort of fashion, it does have its drawbacks. During the Olympics no one was allowed to go to the lavatory or turn on a tap as this would trigger the electric pump which, in turn, would cause serious confusion on the TV screen. When one inadequately briefed visitor used the flush it reduced the whole of the 10,000 metres race to a meaningless blur. A more serious problem is that the rain, which usually comes down in stair rods in these parts, particularly during the holiday season, has been almost completely absent this year. In Dublin it pours during the horse show. In Northern Ireland Orangemen get drenched parading. In this valley the sun shines and the birds sing but not a drop of

Minding Your Own Business

A hard way to learn the ropes

The summer months are the busiest of the year for Field and Lawn Marquee - but Cameron Stewart was bopping they would not be so hectic that he would repeat the big mistake he made last summer. He failed to spot that the manager of his newest and smallest depot, 400 miles south of his Edinburgh headquarters, had omitted to take a deposit on a £22,000 contract for a large open air concert. When the Oxfordshire-based concert organiser crumbed with debts of £400,000 Stewart realised he would be lucky to see any of his £22,000 again. "It was by far the biggest bad debt in the 10 year history of the company and I realised I had got one of the four abiding tenets wrong," said Stewart, 34, a former officer in The Royal Scots. Stewart, the managing director and major shareholder, runs the business by what he calls "using the assets of the company in the right way". He lists four main assets: stock, transport, the labour force and management. "In the case of the £22,000 bad debt it was primarily my own fault

- so the mistake had to be put down to management," he said. "We were too stretched at the southern depot near Oxford, which we had acquired the year before. "In early 1994 we were thinking of buying an Oxfordshire-based marquee company so that we could expand in the southern half of England. The company we had our eyes on became insolvent that summer, so we moved fast, buying the stock from the liquidator and renting the premises they had traded from. "It looked a good deal. We paid £48,000 for stock worth £120,000, but with hindsight we acted too quickly. We gained some blue chip clients in the south of England, but lack of attention to detail brought the bad debt and a total loss for the year of £30,000 on a turnover of £1.6m. It was the company's first loss in 10 years of trading, although the year before it had only broken even, largely as a result of the costs of purchasing the Oxfordshire stock and establishing the depot. "We learned a great deal from the Oxfordshire incident, not least that it is quite easy to go bust in this business," Stewart said.

"There are several other downsides. The British weather can affect margins by up to 10 per cent. Then there is the seasonal nature of marquee hire, which means most of our income is in the summer months, while from November to February we lose money. "On the other hand there are good profits to be made in the hire of our equipment. This covers tables, lights, decking, awnings, drapes, linings - all the ancillaries. "Nearly all the stock for England is currently kept at Selby, near Leeds, where Field and Lawn rents a three-acre site with 4,000 sq ft of storage that they have had since 1992. "The company has five people working on sales out of a perma-

nent staff of 30 (it can swell by up to 100 with the employment of part-timers in summer). Field and Lawn concentrates on the top end of the marquee hire market. Stewart prefers contracts valued £5,000 and above, specialising in corporate events. He will undertake smaller bookings, such as weddings, if they are likely to lead to further business. He favours repeat contracts such as the annual summer outdoor partners' dinner for Coopers and Lybrand in Scotland, or show stands in which clients such as the Ordnance Survey keep the specially printed marquee cover but Field and Lawn erect the frame and supervise the exterior of the stand. In Scotland, where the client list includes The Royal Highland Show, Glenageary hotel and all the racecourses, Stewart believes Field and Lawn has almost achieved saturation business. Two thirds of the expected £1.5m turnover this year will come from north of the border. ■ Field and Lawn (Marquees), East Mains Industrial Estate, Broxburn, Edinburgh EH52 5AU, tel: 01506-857938. Leeds depot: 01757-210444; Oxfordshire depot: 01235-834000.

You sell an item for between 6 and 10 per cent of its value, and then you get it back

business if you can get it right. After all, it is a field in which you sell an item for between 6 and 10 per cent of its value, and then you get it back. "In our first year we forecast a turnover of £60,000 and in fact achieved £200,000, despite making a small loss. Growth and profits continued steadily, dipping only slightly in the recession years in the early 1990s. A very successful

rival of ours manages a net profit of 20 per cent per annum. We are nearer 10 per cent, but we are getting better. This year we have made an excellent start. We have a target of £500,000 sales from our northern depot near Leeds, and we have already reached £438,000. Scotland is also looking very good. "Really it is all about keeping a balanced stock. The other keys are a good cleaning and repair service, a large and efficient fleet of vehicles - we have four articulated units, three seven-tonne trucks and three transit vans - and sufficient stock to cover all eventualities. "The Oxfordshire company, the assets of which we bought, was in a mess because its stock was wrong. It had to hire too much from other companies. We concentrate on a large stock and the right equipment. This covers tables, lights, decking, awnings, drapes, linings - all the ancillaries. "Nearly all the stock for England is currently kept at Selby, near Leeds, where Field and Lawn rents a three-acre site with 4,000 sq ft of storage that they have had since 1992. "The company has five people working on sales out of a perma-

A nationalist struggle gives way to banditry

nominal sum from its previous Genoese rulers. There followed what he calls a period of "self-colonisation", when the Corsicans became "more French than the French", often acting as the administrators in the nation's colonial expansion abroad as well as climbing the official hierarchy in Paris. Yet their own island was being squeezed. From 1818 until the first world war, the local economy was undermined by the imposition of heavy tariffs on Corsican products sold to the mainland while French imports to the island were tax free. By the late 1960s, much of Corsican identity and culture had disappeared. But at that time, students on the politically charged university campuses in Paris, Nice,

Marseille and Aix-en-Provence began to discover their nationalist roots. Inspired by the liberation struggles in Algeria, Cuba and beyond, many argued for a similar armed approach in Corsica. "It was the romanticism of youth," says Simeoni. "They wanted to live a great adventure in the service of the world. But they lacked experience and maturity. We are paying for it 20 years later." While not everyone agreed with the radical methods championed by the students, there was considerable sympathy for the cause. Many were also sceptical that change would come through the political system, which was riddled with electoral fraud and tightly controlled by the island's traditional clans, which remain in power today. A final trigger for the rise in nationalism was the arrival of several thousand *piets* noirs, the French settlers in Algeria who were

forced to leave at the time of independence in 1962. They were granted land to Corsica and offered financial assistance by the state to develop agriculture on the island's eastern coast. Such privileges angered local people who had long demanded aid and the chance to settle on the abandoned properties being handed to the new arrivals. Matteu Filidori, an agricultural union organiser in the town of Ghisonaccia, says: "The French state did nothing to develop Corsica." He recalls the post-war period when his region still suffered from malaria, had little access to electricity and its railway line had been closed. He helped organise the *Front Paysan*, responsible for a number of bombings and attacks against the *piets* noirs and the administration. But the turning point for nationalist violence came in August 1975. In the nearby town of Aleria, Max Simeoni-

's brother Edmond, armed with an old shotgun, led a group of militants to take control of a wine cellar in protest at fraud allegedly being perpetrated by a group of *piets* noirs. The situation escalated when the French state sent in helicopters and dozens of police. In the conflict, two gendarmes were killed and another died a week later during a riot in Bastia. In May the following year, days before the trial of Edmond Simeoni began, the FLNC was born during a night of bombings in its political message, to become autonomous from the French mainland, was spelt out in documents and in media-grabbing night press conferences with masked, and heavily armed militants, which was to become a hallmark. In the ensuing years, government buildings became prime bombing targets in the FLNC's campaign. The property of non-Corsicans on

the island was also destroyed. But as the state clamped down in response, the attacks spread to businesses. One reason for an escalation in the attacks was the organisation's need to fund its own growth. The group created a "revolutionary Many former militants fear that what they created has become a monster tax", a levy paid by militants and other sympathisers. As Yves Stella, mayor of Morignia who was twice imprisoned for his nationalist activities, says: "If you want a clandestine movement, it is expensive." As the expenses of the group increased - paying

organisers, those in hiding and the families of those in prison - so did the need for new sources of income. Club Mediterranean was a target and one of its three holiday villages on the island was bombed. Stella says an attack would often precede a request for money, which normally ensured a contribution. "The growth in the number of militants, organised in semi-autonomous local units with their own chiefs and funded by the tax, fuelled the nationalist movement. But the murder of a hairdresser in Ajaccio in 1983 led to fears that political causes were already being subverted to banditry. Other deaths have had more overtly political motives but with little connection to the struggle for nationalism, such as the killing of two Tunisians accused of drug dealing in 1986. As the movement continued to grow, such acts became more widespread. A

number of the original leaders left, were killed, imprisoned or were threatened into silence. A younger generation with less political motivation came to power. Pietro Foggoli, a former FLNC leader who has recently written a book on his experiences, quit the group in 1989 and established his own nationalist movement, *Accolta Nazionale Corsa* - itself linked to an underground movement called *Resistenza*. "After the fall of the Berlin Wall, the failure of national liberation struggles and the rise of postmodernism, we had to evolve," he says. "We considered clandestinity needed to disappear by steps." A year later, Alain Orsoni, head of one of the FLNC's divisions, left to form the *Movimentu pa l'autodeterminazione*. The group is closely associated with the clandestine FLNC-canal habitué, Tit-for-tat bombings between individuals and businesses with links to the various groups followed. Many former militants stress the positive achievements of their struggle over the past few years, including the promotion of the Corsican language, the creation of a university at Corte, widespread support on the island for nationalist political parties, and substantial aid from the French state - including a package pledged by Alain Juppé, prime minister, late last month. But they also lament that the clandestine movement they created has become an uncontrollable monster. "I fear that murder has become a way of functioning," says Danielle, who has joined the *manifeste pour la vie*, a women's movement calling for an end to the violence. As for Letizia Sozzi, her period of political activism is over. She says she is not even sure that she will vote in the next elections, let alone cast her ballot for the nationalists. "I want my children to speak Corsican and to work here, but I would prefer to remain French than be ruled by these people," she says.

Chess No. 1, 14th 11 moves: 1 Kt2 Kg8 2 Kg2 Kh8 3 Kf8 Kg7 4 Kg3 (the "casual opposition") Kg5 5 Kh45 Kh7 Kh5 Kg6 6 Kg4 Kh6 7 Kh5 Kg8 8 Kg5 Kh7 9 Kh5 Kg6 10 Kg6 Kh6 11 Fb8 mate.

سكنا من الامل

Sanctu... wild, c... Christian Tyler on plans...

PERSPECTIVES

Rise and fall of monetary union

Benedikt Koehler says an early precursor to Emu shows how political priorities determine economics

What worries critics of economic and monetary union is the prospect that monetary union will bring political union in its wake. But there is a historical precedent: Emu had a forerunner in 1865, when agreements were signed to establish the Latin Monetary Union. LMU was even more ambitious than Emu - it aspired to involve the US as well as Europe. The rise and fall of LMU was determined by political, not economic priorities of the principal economic powers - France, Britain, Germany and the US.

Fair, an international conference was convened in Paris to discuss enlargement.

The delegates at the conference included some of Europe's leading financial experts: for the Dutch delegation was Mees, Amsterdam's leading merchant banker; a director of the Bank of Stockholm, Wallenberg, spoke for Sweden; Alfred Escher of Zurich, founder of Credit Suisse, represented Switzerland; and Britain's main envoy was Rivers Wilson, who later became a key figure in Egyptian debt reschedulings.

The conference marked the zenith of LMU's reputation. What stopped its progress was Britain's isolationism and Germany's preoccupation with national unification of its fragmented territories.

Rivers Wilson indicated at the conference the exceptional and delicate situation of Her Majesty's government. Under no circumstances, he went on to say, would Britain sign the treaty for monetary union, "so long as public opinion has not decided in favour of a change of the present system, which offers no serious inconveniences, either in wholesale or retail trade, and until it shall be incontrovertibly demonstrated that a new system offers advantages sufficiently commanding to justify the abandonment of that which is approved by experience and rooted in the habits of the people." Britain chose to opt out of monetary union.

Germany's position was divided. At this point, unification still had to wait until the war of 1871 was won. The southern states of Germany and Austria were receptive to French overtures. But in Prussia - where Otto von Bismarck had returned from his posting as ambassador to France with deep-seated conviction that the interests of France were inimical to Prussia, and that Germans needed to place the goal of union above all others - internationalism was not in favour. The Prussian delegation signalled that Germany should not contemplate joining LMU until a single currency had been achieved in Germany.

When the German Reich was established a few years later, business was conducted in six different coinage systems. It took until 1876, five years after political unification, that the first German Central Bank was incorporated. By this time, memories of the Franco-Prussian war were too fresh to contemplate a Franco-German union.

Were it not for the timing of unification, Germans today would probably count their wealth in francs rather than D-Marks. Britain and Germany, in effect, prevented LMU from crossing the channel and the Rhine. Even so, LMU lived on until 1926 and proved remarkably resilient.

Then, as now, politics determined economics rather than vice versa. But LMU showed that monetary union could exist and did work.

Every obstruction to commerce is a tax upon consumption; every facility to a free exchange cheapens commodities, increases trade and production, and promotes civilisation. With this impetus and against the backdrop of the 1867 World



Police and soldiers race from Sarajevo's tunnel to celebrate the third anniversary of its completion

The city that tunnelled its way to survival

Sarajevo was not prepared to just sit and wait for its ordeal to end. Harriet Martin explains

For 3 1/2 years Sarajevo was portrayed in the world's media as a victim city, surrounded by separatist Serbs who targeted civilians with sniper fire by day and shelled them by night.

It was a city which spent month after month without water, electricity or gas supplies. The city was dependent on the tentative will of the United Nations, which sought the approval of the Serbs before bringing in vital food supplies of wheat, flour, oil and rice.

But the people of Sarajevo did not sit and wait for their ordeal to end. There was a secret means of survival against siege, albeit a poorly kept secret. No one admitted to it but everyone knew it was there. Loyalty and lack of information meant journalists could not write fully about the fact that the besieged city of Sarajevo was not completely cut off - it had a tunnel. And last year it completed its second tunnel.

The original tunnel was built in the first half of 1993. By the time of its completion the city had been under siege for more than a year. Until then, the only way out of Sarajevo was at night by means of a deadly 300-metre dash across the UN-controlled airport. The French troops patrolling the runway would pick up people trying to flee the horrors of the city and take them back.

In spite of Yugoslavia's renowned civil engineers, many in Sarajevo were at first sceptical about building a tunnel under the airport. But a handful never

stopped believing in the project. One of the men involved, who does not want to be named, says: "I couldn't give up on the idea. My son was two years old, there was no fruit in the city, and I had to bring him some apples."

The project was finally approved by Alija Izetbegovic, Bosnia's president, and the resources were made available. A thorough survey was carried out - which involved engineers doing the deadly dash back and forth across the airport - and digging began in the spring of 1993. The Serbs quickly found out about the scheme - as did the UN - as large piles of earth were mysteriously appearing either side of the airport. Demands were made for the digging to stop as a condition of the peace talks and the French UN tried to stop the tunnel's progress but failed.

The tunnel, 760 metres long, 1.2 metres wide and between 1.5 metres and 2 metres high when completed, was at times almost half-full with water. It was poorly lit and airless as crowds waded through, and was supported by iron girders every couple of metres and lined with slats of wood.

Wood was a rare commodity in Sarajevo in the winter of 1992-93 as it was the city's only source of heat. But the last of the available wood stocks were handed over to the tunnel engineers by the city authorities.

During the spring and early summer of 1993, peace talks were taking place in Geneva. But while Radovan Karadzic, then the leader of the Bosnian Serbs and President Izetbegovic were

arguing over the Vance-Owen peace plan, the Serbs started an offensive to take the land south of Sarajevo, including Mount Igman, then the Bosnians' only means of escape from the capital. The Serbs had taken Trnovo, a town just south of Sarajevo, and were approaching Mount Igman. Work was still in progress on the tunnel, which was expected to be finished on July 26. President Izetbegovic was making hourly calls from Geneva back to Sarajevo, eager for its completion.

At 8.40pm on July 30 the tunnel was completed. Within the hour the troops from Sarajevo who had been waiting in Dobrinja, on the Sarajevo side for days, were streaming through to Mount Igman to stop the Serbs' offensive.

From that night on, the Bosnian army, which began life in 1992 as a home defence guard armed only with pistols and hunting rifles, took complete charge of the tunnel and ran it with ruthless efficiency.

Twenty-four hours a day a one-way system regulated the passage of troops, civilians and commercial goods. Each day between 2,000 and 3,000 people used the tunnel.

Gradually, small quantities of goods that Sarajevo lacked began to seep into the city. An electricity cable which ran over Mount Igman was installed, a phone line was secured and eventually even a fuel pipe for diesel was laid. A mining rail track ran through the centre of the tunnel and 20 carts were used to carry military

equipment, baggage, commercial goods, and the elderly, infirm and injured.

To protect their access in and out of the city, the army worked hard to keep out international officials and foreign journalists. Only a handful managed to get through, one of whom was the Swedish ambassador, Erik Pierre. Pierre was forced to go through the tunnel when, having travelled through Mount Igman in May last year, he found he was too late to cross the airport. In a bullet proof vest and helmet, Pierre staggered through the tunnel. "I got two-thirds of the way through and I had to take my helmet off because it kept falling into my eyes. The next thing I knew I had hit my head on one of the iron girders," he says.

The Bosnian army always had priority access through the tunnel. At times of military offensives civilians would wait days to pass through - a crossing would be cancelled at the last minute to allow for new weapon supplies and for the injured and dead to be taken back to Sarajevo. Only a handful of companies had the capital and the contacts needed to use the tunnel on a commercial basis. Even today, 11 months into the peace, it is difficult to find anyone prepared to speak publicly about the use of the tunnel - this may be due to mafia involvement in the tunnel. Companies rented the tunnel by the hour from the army for exorbitant fees. One man, called Misko, brought commercial goods into Sarajevo. He says: "The cost was enormous. On top of the fee to the army we had to pay

another DM10,000 to pay for drivers to do the death-run down Igman and for men to push the goods through the tunnel. In those eight hours the maximum goods we could get through the tunnel was 50 tonnes."

Alcohol was eventually banned from the tunnel following problems with civilians and businessmen who, on waiting for hours to carry drink through the tunnel, often consumed it.

It took 20 minutes for a group of civilians to get from the Sarajevo side through the tunnel - but up to an hour coming back as people would be laden with goods. Old women, children and men would return to Sarajevo carrying whatever they could - flour, sugar, salt, fruit, wood and even fuel - sometimes weighing as much as 100kg.

Frequently the heavy loads split, so as well as wading through water the tunnel was often inches thick in rotting food and spill fuel. The wealthy rented a cart for between DM500 and DM100 and paid someone to push their goods through.

The lack of ventilation in the tunnel frequently resulted in people fainting and claustrophobia was also common.

The second tunnel, unlike the original one it is straight, properly drained, lined with corrugated iron not wood, and well lit. Many in the government think it is time to turn the war-time tunnel into a monument and open it up to tourists. But the army seems to have no intention of relinquishing its control. It wants to keep it that way, just in case it should ever need it again.

Sanctuary for the wild, desert king

Christian Tyler on plans to protect China's Bactrian camel

There were some startled witnesses to China's nuclear test under the Lop desert last week. For this grim region of rock, sand and salt flats is one of the few remaining refuges of the wild Bactrian camel.

A hairy creature with bald knees, large feet and two small humps, *Camelus bactrianus ferus* clings to life in terrain so bare and unpleasant that only a few hunters, gold-diggers, iron-ore miners (and nuclear technicians) bother to go there.

Between 730 and 880 of the animals survive in the world, according to the most recent estimate; they are distributed between the Chinese-Mongolian border and the Gashun Gobi and Taklimakan deserts in China. Following an expedition by local experts earlier this year, the authorities are being urged to set up a sanctuary over an area of 100,000 sq kms.

The wild Bactrian has survived where the feral ancestor of the one-humped Arabian dromedary became extinct 2,000 years ago. In 1877 the Russian explorer Nikolai Przhevalsky took the skin of a Bactrian home to St Petersburg. (Przhevalsky also discovered and gave his name to the proto-horse of the Gobi region now found only in captivity.)

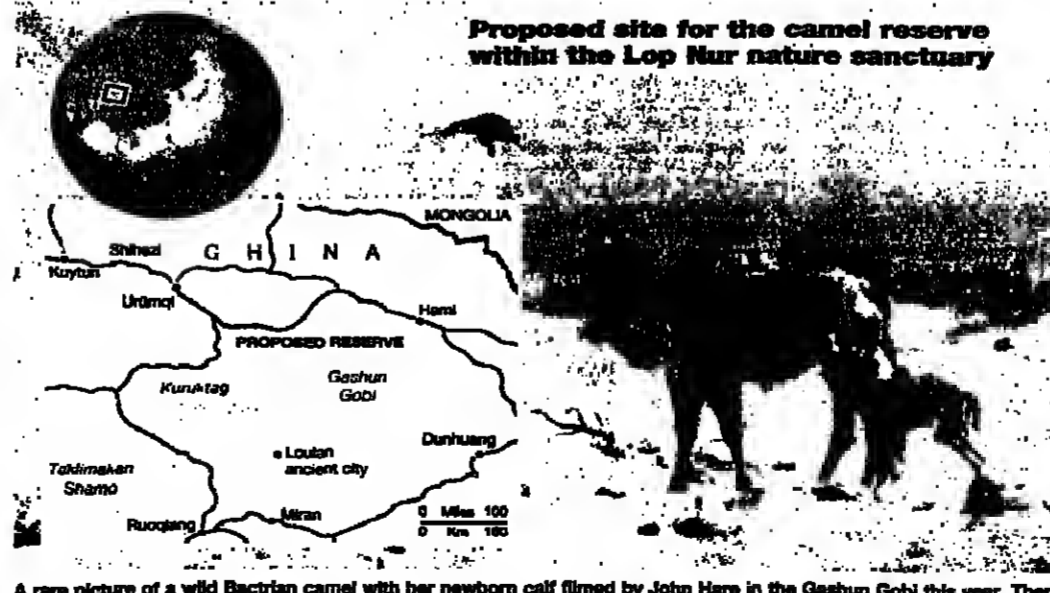
One hundred years ago exactly, Sven Hedin, the intrepid Swede, caught up with several small herds while crossing the neighbouring Taklimakan desert from south to north. The sight of their wild cousins, he reported, drove his baggage camels into a frenzy.

Kasim, a Uighur hunter in the party, shot a 12-year-old male. "The fallen desert king was a beautiful specimen. He measured 108 1/2 inches in length and 7 1/2 in girth," Hedin recalled in *My Life as an Explorer*. Two days later a female was brought down. "She sank into the posture in

which camels usually rest. We hurried to her and I made a few sketches while she was still alive. She did not look at us but seemed to be in despair at having to part for ever with her otherwise inviolate desert land. Before she died, she opened her mouth and bit into the sand. I now forbade any more shooting."

Plans for a sanctuary in the Lop desert are being promoted by an Englishman, John Hare, a former district officer in colonial Nigeria and consultant with the UN Environment Programme who recently returned from a trip organised by Chinese scientists to the wilds of the Gobi.

Over a breakfast of kippers at The Savoy Hotel in London, he explained that because their habitat is so isolated, the Lop camels are genetically pure. A test on a specimen of DNA carried out by the Wildlife Conservation Society at the Bronx Zoo in New York indicated that the wild camel's



A rare picture of a wild Bactrian camel with her newborn calf filmed by John Hare in the Gashun Gobi this year. There are thought to be only 730-880 of the creatures left

genetic make-up was quite different to that of the domestic. The society's conservation biologist, George Amato, was more cautious. "The analysis is very interesting and there is evidence that they may be distinct from their relatives," he said. A scientific paper is in preparation. Though shy, the wild camel is

very tough. It is smaller and lighter than the domestic version. In the rutting season, according to local herders, unsuccessful bull camels will travel up to 150km to mate with a domestic female. The hybrid calves are usually killed because they are so troublesome. The wild Bactrian is internationally recognised as an endan-

gered species. Arguments for saving it are based not so much on the fashionable creed of biodiversity but on the simple fact that it is a large threatened mammal. It is ranked with Chinese rarities such as the giant panda, snow leopard and Siberian tiger, not to mention the wild ass and wild sheep.

In Mongolia wild camels are afforded some protection by the Great Gobi National Park, set up with UNEP funding, and by the Mongolian herders' taboo against hunting them. In western China, although there already exists a reserve in the Altun mountains to the south of the Lop desert, the camels are threatened by hunters and miners, both legal and illegal. According to John Hare, some gold-diggers have been blowing the camels up with home-made landmines at water holes.

The cost of creating the reserve is put at just under \$1m and funds will be sought from sources such as the World Bank's global environment facility. Hare said a private investor, a sheikh in Dubai, had offered to fund a \$200,000 breeding centre. China's national environment protection agency had agreed to cover staff and management costs for 10 years.

Meanwhile the Gobi camels can look forward to a future with fewer trembles. Last week's nuclear explosion was China's final test for an indefinite period, officials announced, as negotiations resumed in Geneva to complete a worldwide test ban treaty. But will less exposure to nuclear radiation mean greater exposure to the outside world?

سكان من الأصيل

FOOD AND DRINK

The state of wine in Washington

Jancis Robinson visits a curious region where much of the produce is snapped up by the locals

We drove east from Seattle. The roads are so good here, you can make a day trip to a vineyard 250 miles away without any stress," said British Master of Wine David Lake happily as we headed for eastern Washington, surely one of the world's most curious wine regions.

We left Microsoft and Boeing, to climb over the Cascades through cloud-covered Ponderosa pine forests with the snow-capped peaks of the Mount Stuart range to the north. Less than a mile over the summit, the sun began to shine, as it does without fail throughout the summer on this side of the mountains. Gentle breezes made satiny ripples on the grassy Elk Hills.

We turned south through the Yakima Canyon, a wonder of nature apparently created for our exclusive enjoyment that bright, sunny day, and then pulled up for a short (small), dry (not too frothy) cappuccino "to go". Just about every small settlement in the hinterland has its own little drive-in espresso joint - a boon for jetlag-sufferers trying to inspect a wine region.

Part of what makes eastern Washington - America's second most important wine-land after California - so strange is the arid landscape. In between the sage-

brush, the wheatfields that roll "all the way to Kansas" as the locals say proudly, make it look so much more Wizard of Oz than wine country. Every so often, however, a farmer has planted a south-facing slope with a patch of green vines among the gold, and very out of place they look.

Hops, apples and other fruits are all much more common, and have a local history that pre-dates wine's arrival east of the Cascades only about 20 years ago.

Drought is the summer problem, vine freezes the winter one. You can therefore only plant a vineyard where you can find enough water to irrigate it (everyone is starting to worry, about water, even though many vineyards overlook the Columbia river), and ideally above the coldest spots in winter.

Harsh winters come every five to seven years with such predictability that their predations are factored in to the financial forecasts of any

vine grower. Last winter was the coldest since 1979 and this year's crop will probably be down by more than half. In terms of quality, however, nature obligingly seems to send Washington a good vintage every even year, so prudent wine enthusiasts are stocking up on the exceptionally good 1994s. The trouble is that since Seattle is such a desirable place to live, the best Washington wines sell far too easily locally for the rest of us to get our hands on them.

Even the most respected Seattle wine retailers have to beg for and eventually ration their allocations of top bottlings from the likes of Leonetti, Woodward Canyon and Quilceda Creek, at \$30 to \$50 a bottle. Gary Figgins opens his Leonetti Cellar just one day a year to sell his richly oaked reds. Exports represent a mere 3 per cent of the market's production.

This is a shame, for eastern Washington, with its long sunny evenings and cool nights, produces distinctive and appetisingly bright reds, especially Merlot and Cabernet Franc, in taste somewhere between California and New Zealand (although the locals describe it as "north of Bordeaux and south of Chignon").

Washington vine growers realised they had something special on their hands with



Red Willow vineyards overlooked by Mount Adams in Washington state

Merlot some time ago and now thoughtful producers such as Chris Carmada of Andrew Will Cellars (Andrew is his son, Will his nephew) are realising the benefits of blending Merlot and Cabernet.

The sometimes first rate wines of Andrew Will, David Lake's Columbia and the whites of Chateau Ste Michelle, the industry giant, are all made west of the Cascades from fruit or juice trucked hundreds of miles from the east. This is just one way in which Washington apparently makes a nonsense of the European premise that wine is the product

of a place. Another is the fact that winemaking and vine-growing are distinct activities. With the exception of Stinson Lane, the US Tobacco-owned holding company for Chateau Ste Michelle, Columbia Crest and Snoqualmie, which is also the state's biggest vineyard-owner, most of the grapes are grown by large-scale mixed farmers who sell their fruit to a wide range of producers.

Thus, although wines labelled with a single vineyard are slowly becoming more common, most of the top wine producers seem to buy from the same vineyards

all over the Columbia Basin, simply varying the proportions a bit in different blends - a nightmare for wine geographers.

Put this together with the fact that the most common "appellation", Columbia Valley, covers about 18,000 square miles, is cunningly devised so as to include viticulturally useful parts of northern Oregon, is used alongside the Washington State appellation, and includes the Yakima Valley appellation, the Medoc of Washington state, and you have a wine industry that is using geography to help itself rather than the con-

sumer. Or has the modern consumer rejected geography altogether for grape names?

Lemberger (Austria's Blaufrankisch) is a local speciality with potential if little market resonance. Chardonnay, perhaps inevitably, is the most planted vine, but the only really interesting examples I tasted were a 1993 from the fully mature Cold Creek vineyard made by Chateau Ste Michelle and Woodward Canyon's 1994 from the unirrigated Cello vineyard in the Columbia Gorge on the Oregon border. The most distinctive Chardonnay to have come my

way from an Oregon wine-maker turned out to be Ken Wright's rendering of the same fruit.

Riesling, and particularly Semillon, seem more at home in eastern Washington. And for our future white wine delectation, Red Willow vineyard in eastern Yakima, where David Lake's stylish Columbia Syrah and Caratappi's extraordinary Sangiovese are grown, is experimenting with - what else? - Viognier.

UK retailers of Washington wines include Oddbins, Corney & Barron of London ECI and First Wines of Scotland on 01577-863668.

It was beef, now it is lamb, soon it will be chicken and pork. You cannot gloss over it, intensive farming is to blame: cheap meat for the punters, with high profit margins for the producers. Now we all need to think about the future and decide if there isn't a little silver lining to this big, black cloud.

I am prepared to believe that the authorities have tried to steer us through the minefield of what is safe and what is not, but no one could suggest that they have done anything other than create confusion.

If the risk was chiefly from old dairy cattle mixed up into hamburgers and industrially prepared food, why was this not made clear from the outset? Was there ever any real danger from prime cut beef?

A few months ago in these pages I suggested that what we needed were effective guarantees as to the origins of the beef (and other meats) which we buy, and I threatened to go on the barricades for British beef. I thought I might pull in a few like-minded souls, but the response was derisory - I retired, sulking, to my tent.

That was before the storm broke. Now I am more adamant than ever: consumers need to know more about the meat they buy from the shops.

It is an opportunity for quality-conscious farmers to clean up. It is also the moment for the butcher, squeezed by the supermarkets at one end and vegetarians at the other, to demonstrate that they are far better equipped to reassure the shopper than the supermarket.

These thoughts occurred to me in Kincardineshire in Scotland, where I had gone Glenburnie to see Stewart Macphie. Macphie has a closed herd of 100 per cent Angus cattle, from which he produces the sort of meat Britons were reared on: well-hung cuts of beef with pronounced subcutaneous marbling which keeps it sweet and moist in the oven; no brooding steaks from scrawny Tuscan beasts, and no fat-free filets from quick-growing French heavyweights either.



Stewart Macphie produces the sort of beef Britons were reared on

Britain's farmers should bring back hanging

It is one way to save the beef industry, says Giles MacDonogh

his own butchery unit has come to fruition; he can now be certain of the quality of his meat right down to the minute it leaves his premises to be delivered to a hotel, restaurant or butcher's shop.

The £1m unit - £200,000 of which came from the EU - opened on July 12. Egon Ronay, the Hungarian-born gastronome, was there to do the honours. Instead of the usual cake, he carved a slice from a rib of beef and, holding it aloft, declared "Bring back hanging!" - thereby addressing an issue central to the revival of proper beef production in Britain.

I have long been convinced that the downward turn in consumption is in part to do with the relative freshness of meat offered in the supermarkets. A generation ago all British flesh - from chicken to beef and

game - was hung for a few days. As a Swedish biochemist once explained to me, meat needs to be hung to break down the acids which multiply in the flesh after slaughter. Meat eaten before it is ready is unhealthy and hard to digest.

From now on, all Macphie beef will be hung for between 14 and 20 days, like the magnificent carcasses I saw in the new butchery unit. And taking an idea which is dear to my heart, all his beef will now be transported in boxes bearing a "kite-mark", assuring the recipient that it is 100 per cent Angus (for beef from the grass-fed, suckler herd at Glenburnie), or 75 per cent Angus (for local farmers who want to come in on the scheme).

These farmers must assure Macphie that their bulls are

pedigree Aberdeen Angus, and their cows no less than 50 per cent Angus and 50 per cent from another prime beef herd.

As Macphie's stockman told me, where confusion exists over how BSE got into beef herds, it normally occurred when the farmer had bought a replacement cow which was partly of dairy stock.

I should have liked him to do even better, at least as far as the meat destined for butchers' shops was concerned, and actually supply the meat with a 100 per cent Glenburnie Angus tag. In France top butchers use tags such as these for their best veal, for example. This way, consumers have ocular proof of the quality of the meat they are buying.

I should also like to see a better policing of the meat in butchers' shops by disinterested panels or committees.

The Q-Guild of butchers is one small group with a reputation for offering meat of the best quality, but they are thin on the ground.

Butchers who could prove the origin and quality of their meat would be eligible for membership of a wider chain which would offer further reassurance to the consumer.

Macphie has made a splendid counter-attack which would be the envy of all good tacticians. It is high time to fight for meat. No one can decently expect it to be cheaper than it was in the bad old days, but with any luck it will be much, much better.

■ *Glenburnie Aberdeen Angus, Glenburnie Kirkcaldie BS 2YB, Glenburnie beef is available in London from W.A. Lidgate, 110 Holland Park Road, London W11 (Tel: 0171-727 8243).*

Cookery / Philippa Davenport Spinach and spice: all things nice

Better late than never. The Olympic spirit seems to have reached my garden.

Plants that refused to spring into action for anxious weeks have suddenly started racing.

My runner beans are clearly marathon runners at heart. The courgettes have leapt the boundaries that confined them, the *frises de bofs* are fruiting frantically and sharp green sorrel leaves are unfurling at high speed.

The fastest sprinter of all is spinach, but alas it is prone to wilt when the weather gets hot. Commercial growers give it lots of protective shade as well as copious waterings, to judge by the perfect, silky tender leaves that seem so plentiful now in our shops.

I am partial to all the spinach family and its relations - juicy thick-ribbed red and white chards, sea beet, coarse New Zealand and perennial spinach - in small doses. But I never grow tired of soft-leaved summer spinach. I love it simply steamed or sweated in butter, in soups (not with Parmigiano and nutmeg; chilled with creamy mashed avocado), as a stuffing for pasta, pork and fish, as a wrapper for other foods to be cooked, in pies, flans, soufflés, roulades and raw in salads.

Last week in Osteria Le Fate, a charming new restaurant in Chelsea, I chose as a first course "delfina in crosta", translated on the menu as "fried spinach in a thin crispy pastry". Knowing how light-handed the Ligurians can be both in their treatment of vegetables and in pie-making, I expected something good, and I was not disappointed.

This little pie was about the size and shape of a fried egg. The pastry was a flake-like Ligurian confection of flour and water (this version included a little rice flour for crispness).

Two large discs of it held sealed between them a domed mound of beautifully seasoned spinach purée with pine nuts and Parmigiano. The parcel was dusted with rice flour and shallow fried briefly on both sides. I have asked to go back for a lesson in making it.

Until then, here are my own current favourite ways to cook spinach. They are substantial dishes, each almost a meal in its own right.

EGGS ON SPINACH WITH SALT ANCHOVIES AND ANCHOVY CREAM
(serves 2-4)

Irresistible to anchovy addicts, this is an easy alternative to *ouais Florentine*. Good bread is essential for mopping up the juices. I serve this as a substantial preface to a salad main course, or, more often, as a meal in its own right with nothing more than, say, fresh fruit to follow.

300-350g fresh spinach; 4 eggs; 50g salt anchovy filets; 10g butter; 1 (142ml) pouring double cream; freshly grated nutmeg

Heat two soup plates or four ramekins in the oven. Wash the spinach, discard

easy to make (see below). If time is short, you could use tofu (soya bean curd) instead, but I have not tried this. Paratha bread flavoured with fennel seed makes a good partner for saag paneer.

300g fresh summer spinach; 125g paneer, cut into 1/2cm cubes; 1 onion, chopped; 1 garlic clove, finely chopped; 1 teaspoon or so finely chopped ginger root; about 1/2 teaspoon chilli flakes; 1/2 teaspoon or so toasted and crushed cumin seed; 1/2 teaspoon or so toasted and crushed coriander seed; a good pinch of fennel seed, lightly bruised; 1/2 teaspoon turmeric powder; a little oil.

Warm 2 tablespoons oil in a sturdy 30cm non-stick frying or sauté pan and fry the onion until soft. Add splash more oil if almost all of it has been absorbed by the onion. Stir in the garlic, ginger, chilli and turmeric. Turn up the heat a little and fry the paneer until it is golden on all sides. Remove it and keep it hot.

Add about half the spinach, all the cumin, coriander and fennel seed and stir and turn the leaves for a few seconds. Then add the rest of the spinach and continue stir-frying until all the leaves are hot and wilted - probably 2 minutes in total. Quickly return the paneer to the pan, season with salt and toss to mix before serving.

PANEER
(makes about 150g)
This plain, crumbly, rather tasteless soft fresh cheese needs to be made well ahead of using in cooking, when it imbues other flavours.

850ml rich milk; 1 1/2 tablespoons lemon juice
Bring the milk to the boil. Add the lemon juice and stir until the mixture begins to separate into yellowish whey and white curds - a matter of seconds. Whip the pan away from the heat, cover and leave it for 10 minutes.

Season the cooked spinach with the snipped anchovies, nutmeg and black pepper. Spoon it into the hot dishes and slip the eggs into hollows in the greens. Pour on the bubbling hot anchovy cream and serve.

SAAG PANEER
(serves two as a light main dish, or four as a side dish)
I used to think spicy foods were for winter, but not any longer. Paneer is home-made Indian soft fresh cheese.

FARR VINTNERS
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Appetisers
The purchase at auction of a single bottle of 1874 Macallan malt whisky has goaded the ever-inventive directors of the distillery into action. After tasting a tiny amount of the whisky, the distillery manager, Frank Newlands, was asked to produce a special bottling of Macallan which mirrored its "character and appearance". It can't

have been easy: a great deal has changed since 1874, not least the barley. I found the re-creation far nuttier and richer than the original, which was surprisingly pale, and very honeyed. I am assured, however, that the differences will disappear with age. Limited quantities of the recreated "1874" Macallan is available from

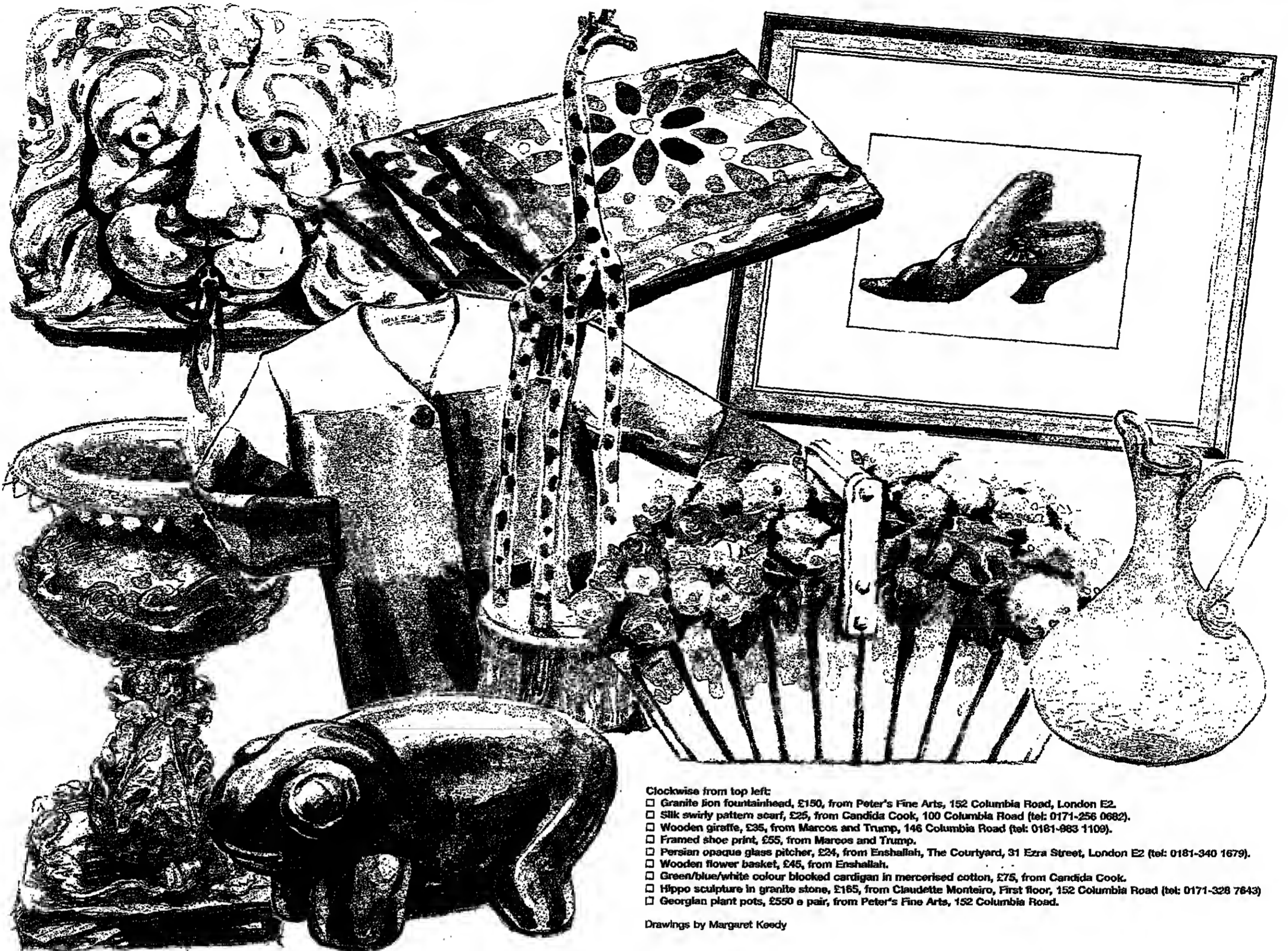
specialists, price £65-£70.
Two interesting new summer beers take their cue from German wheat beers and are bottled with their yeast to make them slightly cloudy: King & Barnes' "Corn Beer" (Oodhins £1.49), and Marks & Spencer's lemon-flavoured "Welsen" type, 24.99 for a pack of four. Giles MacDonogh

صبيحة من الاصل

The
Karen Wheeler
T
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صحنه من الامم

HOW TO SPEND IT / FASHION



Clockwise from top left:
 □ Granite lion fountainhead, £150, from Peter's Fine Arts, 152 Columbia Road, London E2.
 □ Silk swirly pattern scarf, £25, from Candida Cook, 100 Columbia Road (tel: 0171-256 0682).
 □ Wooden giraffe, £25, from Marcos and Trump, 146 Columbia Road (tel: 0161-963 1109).
 □ Framed shoe print, £55, from Marcos and Trump.
 □ Persian opacus glass pitcher, £24, from Enshallah, The Courtyard, 31 Ezra Street, London E2 (tel: 0181-340 1679).
 □ Wooden flower basket, £45, from Enshallah.
 □ Green/blue/white colour blocked cardigan in mercerised cotton, £75, from Candida Cook.
 □ Hippo sculpture in granite stone, £185, from Claudette Monteiro, First floor, 152 Columbia Road (tel: 0171-328 7843).
 □ Georgian plant pots, £550 a pair, from Peter's Fine Arts, 152 Columbia Road.

Drawings by Margaret Keedy

and spice:
is nice

The secret market hidden in the east

Karen Wheeler visits Columbia Road and explains its appeal to trendy shoppers who go in search of a bargain on Sundays

The East End of London has never been considered a hot shopping spot by those who fancy themselves as style-conscious, most of whom would not dream of venturing east of Bond Street. Yet trendy shoppers are suddenly heading east - on Sunday mornings at least - to the Columbia Road flower market.

A brisk 10-minute walk from Bethnal Green underground station (beware the traffic wardens if you drive), this is currently London's most fashionable - and least known - market. It has always been popular with East Enders and gardeners - the keenest arrive at 8am to pick up the strongest seedlings - but has now become a favourite haunt of smart shoppers seeking everything from antique garden furniture to fashion accessories and quirky objects for the home.

"Unless they are into gardening, 99 per cent of Londoners do not even know that it exists. Those who do regard it as their own secret market," says one, admittedly biased, trader.

Many people arrive just before close of trade at 2pm when cut

flowers are sold off cheaply in multiple bunches. It is quite usual to see fashionably dressed couples carrying armfuls of fragrant white lilies or Joseph carrier bags stuffed with pink Japanese peonias back to their minimalist lofts. Others can be seen valiantly struggling with vast terracotta pots, Victorian watering cans, trays full of bedding plants or towering pieces of exotic vegetation.

The flower and plant market is small and compact and takes over the centre of the narrow road with charming, one-off shops lining the pavement on both sides. Like the market, most shops are only open on Sundays and although there are few of them, it is a case of quality rather than quantity - just about every one merits a visit and most are packed with unusual gift ideas and desirable objects for the home.

"A lot of interesting people come through on a Sunday morning including a high proportion of professional couples - many of whom are developing their gardens and also spending money on their homes," explains Brian Campbell, proprietor of a curios-

ity shop called Marcos and Trump. He is quick to point out that the traders - who all know each other - are there for the convivial atmosphere as much as anything else. They are indeed a friendly, relaxed bunch who are content to let you browse unhindered.

The market's history dates back to 1888 when it was named Crabtree Row and considered quite seedy. The market was originally developed to bring cheap food to the poor of the area but it evolved into a flower and plant market, which was licensed in 1927. As might be expected, many of the Columbia Road shops now sell antique garden furniture and gardening-related accessories.

Peter Corsini (152 Columbia Road) sells antique garden statues, cherubs and fountain heads. Victorian marble columns and vintage glass vases as well as a smattering of reproduction garden furniture.

Among the best bargains seen on a recent visit was an impressive pair of Georgian outdoor plant pots for £550 (you could expect to see a one in front of that figure if buying in the Kings Road). The shop is popular with

American and Belgian dealers seeking anything in porcelain.

Terracotta pots and urns in all shapes and sizes are a good buy and are to be found in abundance in Columbia Road. But better still are the glazed pots from Vietnam (£40 buys a huge one) available in blue or green at Shanax Store (102 Columbia Road).

It was originally developed to bring cheap food to the area's poor

Marcos and Trump (No.146) sounds like an old-fashioned gent's hairdressers but is in fact a shop named after two of the last decade's most conspicuous consumers - Imelda Marcos and Ivana Trump.

Imelde Marcos is particularly appropriate since many of the items in the shop are shoe-inspired. Elegant framed prints of

vintage French shoes for £55 are charming and would make great gifts. The shop also stocks lamp shades, mirrors, metal flower buckets (£25 for a set of three) and morpich, curvy stone sculptures from Zaire.

Donna Van der Bijl (No.122) is another inspired source of gift ideas and home objects including glassware and Burmese pots by Jacqueline Edge and many floral themed items, including teapots, mugs and cards.

Good pieces of antique furniture, though not so plentiful, can also be found in Columbia Road and for heady-eyed shoppers there are bargains to be had. The Arts and Crafts shop at 114 Columbia Road specialises in furniture and recently offered a square oak table at £250 and a good quality chest of drawers (circa 1900) for £395.

In Atelier (No.84) I spotted a long narrow, Spanish dining table in a dark hardwood which was a sup at £500 (a similar table in a fashionable west London shop is currently on sale for over three times that price).

Bargain hunters should also check out Pot Luck (No.84), a shop selling entirely white pot-

tery. Useful Portmeirion, oven-proof dishes and enormous mixing bowls can be picked up for around £5. Another delightful shop is The Flower Room (No.96) which stocks essential oils, room fragrances and pot pourri.

Those as interested in furnishing their wardrobe as their home or garden will find great knitwear at very reasonable prices by Candida Cook (No.100). Good buys include long cardigans and simple V-neck sweaters in mercerised cotton or Alpaca in lovely shades of mint green, sky blue or blush pink for £60. Silk scarves in colourful abstract swirls (£25) by Cook's sister Antonia are sold alongside the knitwear.

At Fred Bare (No.118), fun straw hats piled high with colourful fake flowers are very eye-catching.

Also worth exploring is Ezra Street - a narrow cobbled street running off Columbia Road. Here you will find S. Jones Dairy, an old-fashioned bakery (open Sundays 9am-1pm) selling delicious cheeses, ice creams, cakes and bread so good that even on Sundays people are prepared to join long queues for it. In Ezra Street you will also find the Bear Loft:

climb a narrow staircase and bubble-gum pink walls give way to a room filled with replica antique bears, hand-made teddys, assorted Paddingtons and all kinds of bear paraphernalia.

For Sunday morning sustenance, Café Columbia is good for black coffee and bagels (filled with everything from cream cheese and smoked salmon to mozzarella, tomato and avocado). In keeping with the unique East End atmosphere, many shoppers can also be spotted eating from small tubs containing cockles, mussels, and whelks from Lee's Sea Foods. Also available are hot pots of calamari or tiger prawns.

The best place to sit and take stock of your purchases or make a start on the Sunday newspaper is the Blue Orange Espresso bar. Adjacent to the Bear Loft in Ezra Street, this has a fashionable buzz about it and serves doughnuts, treacle cake and croissants as well as cappuccino, hot chocolate and iced coffee. For lunch there is a very cheap but good tapas bar, called Laxeirb, at 86 Columbia Road.

■ Columbia Road flower market. London E2; Sundays, 8am-2pm

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Understanding the fabric of high society

Damian Foxe meets a former lawyer who has educated himself in the art of exotic cloths

panel, painstakingly woven with the individually dyed, shimmering strands of peacock feathers, resembles a shore of precious jewels awash with waves of blackest ink. An Indo-Persian silk/satin Jacquard pays homage to the reign of the Mogul emperors when Paradise was seen as a garden of cool shade and water.

Leaf patterns, handed down from generation to generation, are picked out in delicate shades of lapis with hints of pomegranate.

A traditional Shatoosh or shawl, woven with hair from under the neck of the Capra Hircus goat, is priced at £1,000 and hidden away under the main counter for safe-keeping. In natural hues of silver bark, it leaves cash-

mere seeming rough as coarse wool by contrast.

Now in his second year in the fabric trade, Warris Vianni happened upon his current vocation from a surprising background.

Having read law at the London School of Economics and Cambridge, he practised corporate law in the City for seven years before embarking on his new venture.

Drawing on a highly developed visual sense inherited from a family background in pearls and fabrics, Vianni educated himself through a combined process of "tapping his own instincts and asking a great number of very stupid questions".

After carefully examining what was available in England he decided that the



Warris Vianni in his 'treasure trove of precious fabrics'

market had several gaping niches begging to be filled. Whitewashed walls, stripped floorboards and the spare, simple and clean lines of the Bauhaus-inspired furniture provide a perfect counterpoint to the decorative nature of the fabrics which Vianni stocks.

He promotes his natural fabrics, imported directly from weavers in India and Thailand, for their versatility. A capsule collection of interior mercerised cottons designed by Vianni in subtle colour registers of stripes, checks and plains, evoke sunlight in a muted way.

These sit comfortably alongside decorative dress fabrics which Vianni encourages his clients to use for either person or home.

Manufacturing methods are labour-intensive, thus ensuring both quality and exclusivity. Decorative wild silks are woven on Jacquard looms in lengths of 10 to 12 metres, in a production cycle which is geared towards limited quantities.

The weft threads on the reverse of the fabric are laboriously snipped away, using the traditional cut, work technique, bringing out the patterns of the fabric and creating subtle variations in transparency and colour depth.

An optic weave in registers of black and cream or chocolate and gold brightens the technique.

Crisp clean linens slice through this translucent fabric, strong yet delicate, starkly modern yet contingent on traditional expertise.

There are also more basic stocks, including this season's favoured silk dupion in over 30 colours.

With an already extensive international customer base, Warris Vianni & Co is set to become one of London's

most highly regarded fabric emporiums.

The word on Golborne Road is that this treasure trove of precious fabrics is a good place for celebrity spotting - Vianni smiles, and remains non-committal. "I stock only the finest fabrics, so I can expect to attract the finest clientele."

■ Warris Vianni, 85 Golborne Road, London W10, tel: 0181-964 0069

LACOSTE

PROPERTY

Steady rise in the old, flat county

Norfolk is at last beginning to recover from its post-boom declines, says Gerald Cagogan

When speaking of Norfolk, Noel Coward was succinct: "Very flat." This was, perhaps, economical with the truth and cruel. If much of the county is flat, it is far from dull. Norfolk is a treasure house of old towns and villages, beautiful coasts, and grand churches and country houses.

But "flat" perfectly describes Norfolk property prices since the 1980s boom, when the opening of the M11 fuelled a sharp rise, followed by a drastic fall of 40 per cent or more in residential property.

In the last three years, prices have been flat or have even declined - in contrast to the rest of southern England where they have risen smartly for good properties.

Now the tide is turning. Buyers are at last starting to take notice of the attractive Norfolk prices. Many potential buyers are from London and some are trading up in Norfolk itself. However, even with better communications, it is a long haul for London commuters: from King's Lynn the 40min - at best - by train, and from Norwich around two hours.

However its distance from the capital helps Norfolk keep its old-fashioned character, as do the large estates - including the royal family's, the Cholmondeley and Leicester estates - while the National Trust owns much of the northern coastline.

Norwich, is the ancient county town, where you can visit architect Norman Foster's gleaming Sainsbury Centre for the Visual Arts at the University of East Anglia, the cathedral, and the castle museum with its collections of John Sell Cotman paintings and Lowestoft china. Other delights are boating on the Broads, and visiting an endless supply of glorious, mysterious churches erected on the profits of the medieval wool trade, or great post-medieval houses such as Sir Robert Walpole's Houghton Hall.

Today's value in Norfolk may well tempt parents off the beach at Banchester or Wells for a day of house-hunting.

On the edge of Norwich, Harford Hills is a rare four-bedroom 1820 gothic cottage ornée in thatch and white paint. It has notable eyebrow-thatched sur-



Crown Point Hall, built in 1865, would make a magnificent house or could be converted; Savills is asking £200,000



Harford Hills is an unusual four-bedroom cottage on the edge of Norwich; from Strutt and Parker for £495,000

rounds to the windows and was built by one of the locally prominent Gurney family as a summer residence. Available from Strutt and Parker for £495,000, there are also three acres and views over the Yare valley.

For a little less (£485,000, from S&P or Temples) choose the Victorian gothic rectory at Wramplingham, seven miles from Norwich.

If that seems a lot, a late Georgian rectory at Newton Plotman, also seven miles from Norwich, went recently to "best and final offers" as it had eight bidders. Its guide price with Bidwells was £420,000.

The prize for a house with the most history goes to The Priory, at Horsham St Faith, four miles from Norwich, which was the rectory of a 12th century priory.

At the Dissolution it passed to Sir Richard Southwell, Master of the Rolls under Henry VIII, together with a 2,500 acre estate. Southwell's son, Robert, the poet, was born there. Educated abroad he became a Jesuit, returning secretly to England to spread his faith.

For this he was hanged and



The 18th century Knoll House in Aylsham is priced at £250,000

quartered in 1585, and canonised in the 20th century. Much of the grade I house is made of the white Caen stone from Normandy which was also used for Norwich cathedral. It has Tudor fireplaces, panelling, a priest hole, and the only 18th century refectory wall paintings to survive in the country. Their centrepiece is a 16ft high Crucifixion. Smaller panels show the founding of the priory. During the Dissolution, the paintings were hidden behind panelling which helped to preserve them until they were rediscovered in 1924 and 1971. The Priory comes with six acres and costs £235,000 (Savills).

Of brick and flint, it dates to 1564 and is listed grade II* (£265,000 freehold, Savills).

Elsewhere in Norfolk, Knoll House is a smart early 18th century house near the church in Aylsham priced at £250,000 (down from £300,000) with S&P, which is also selling in Reepham The Cardinal's Hat, an early 16th century timber-framed house - apparently the oldest in town - for £117,500.

In the west part of the county, to the south of King's Lynn, are several attractive houses at prices that would be much more if they were on the north coast - or within 10 miles of the Norwich southern bypass, regarded as the other premium area.

The Grange, in Stechey, is a Georgian box house with five acres running down to the river Nar (with trout fishing), from Beltons for £340,000.

Beltons also lists Denver Hall (£250,000), early Tudor with a later Tudor gatehouse, a former corn mill at Shouldham Thorpe (£165,000), and The Old Hall (£88,000), of 14th century monastic origins, in Oxborough, where the National Trust has the moated Oxburgh Hall.

Bedfords offers the west wing of the old water mill, converted by Kit Martin, at the sailing village of Burnham Overy Staithes (£127,500).

On the south-east tip of the county, Forge House, in Wheatacre, near Beccles, is a Georgian box house with three acres, costing just £189,500 (Bidwells or Hood), with the old forge turned into the kitchen/dining room and solar heating for the hot water. The heating panels rest on the slate roof.

To finish near Norwich, the Colmans built Crown Point Hall in 1865 on their mustard money, to a design by H.E. Cox (known for the Agricultural Hall in Islington). Recently a geriatric hospital, it could revert to a magnificent private house or be converted. The glory of Cox's design is a huge conservatory. Savills asks £800,000.

Bedfords, Burnham Market (£1328-750500); Beltons, King's Lynn (£1553-770055); Bidwells, Norwich (£1803-765939); D & A Hood, Beccles (£1502-712245); Savills, Norwich (£1603-612211); Strutt & Parker, Norwich (£1603-619945); Temples, Norwich (£1603-629941).

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The Old Rectory in Christchurch - once home to writer Dorothy Sayers

All mystery and privacy

Just over the border from Norfolk, in north Cambridgeshire, is the fine village of Christchurch, where the rectory is for sale for £230,000 and its coach house for £75,000. The 1865 brick house has a 30ft long hall and a fine garden.

The writer Dorothy Sayers lived here when her father was rector from 1917 to 1928. She mentions Christchurch in *The Nine Tailors* (1934), a novel of murder, bell-ringing and detection (by Lord Peter Wimsey) and a magnificent evocation of the mystery of East Anglian churches. Holidaymakers or house-hunters in the Fens or Norfolk could read the book on location. The agents for Christchurch are Beltons (01553-770055) and Carter Jonas (01733-881000).

At the other end of the county, Thorne Island is a small island off the Pembrokeshire coast at the entrance to Milford Haven. An 1854 fort, designed to protect the naval base in Milford Haven from the French, occupies most of the space. It is now a hotel with 10 bedrooms, but could make a private house. Sailing, swimming, fishing and catching lobsters are some of the attractions. The island affords complete privacy despite being only a quarter of a mile from shore. It can be reached by boat in all but the worst gales. The price is £275,000 from Knight Frank (01493-273087).

In Mallord Street in London SW3, Beattie Davidson (0171-588 6677) and John D Wood (0171-352 1484) have brought to market another writer's home. A.A. Milne lived at number 13 from 1919 to 1942. The day and night nurseries on the top floor were the domain of Christopher Robin and Alice. From here they would have gone down to Buckingham Palace to

watch the changing of the guard.

The house, dating to 1917, appears often in Milne's writings. Its price of £1.5m, many times that of the Sayers house in the Fens, is not a comment on their relative literary merit.

Hartham Park near Chippenham in Wiltshire is a pleasing piece of Georgian rationalism designed by



Hartham Park, designed by James Wyatt, is selling for £1.5m

James Wyatt in 1790-1796, with imposing stables added in 1838. With 50 acres, cottages and an unbeatable situation eight miles from the M4 with 98 miles from London, it is sure to find offers over the £1.5m asked by Knight Frank (0171-629 8171). The vendor is Tate & Lyle.

Gerald Cadogan



The privacy of Thorne Island can be had for £275,000

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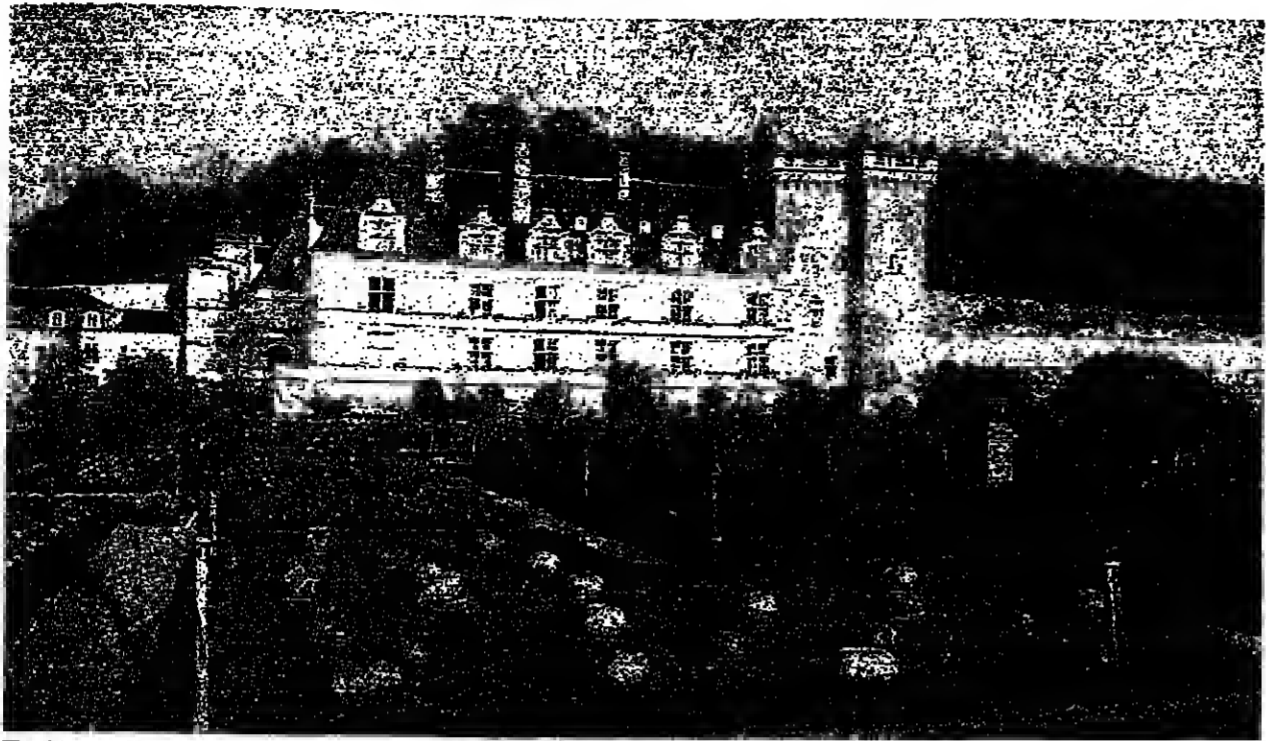
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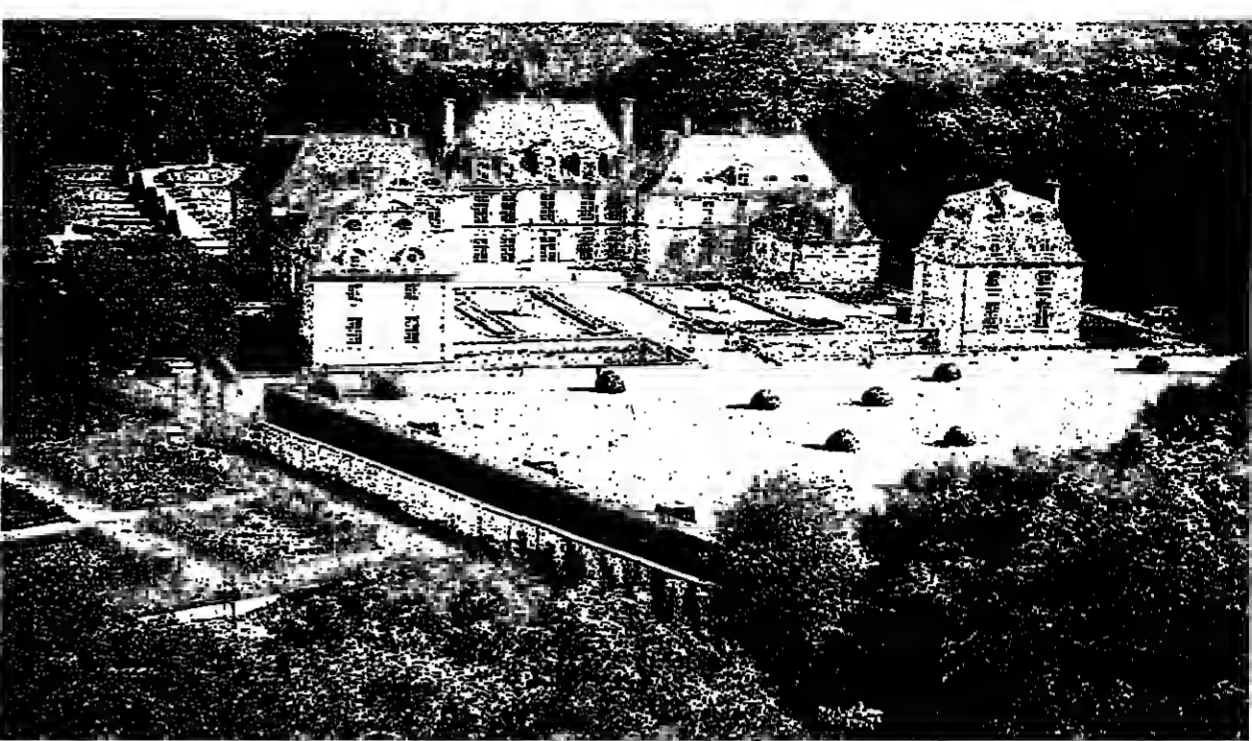
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PROPERTY



The Renaissance Chateau of Villandry in the Loire Valley was restored to its full glory by Joachim Carvallo



Chateau de Breteuil is one of the 10 most visited properties in France with 120,000 visitors a year

A taste of French aristocratic life

There are more chateaux than ever open to the public, thanks to the country's private owners' 'trade union', says Gillian Mawrey

Tourism could be the financial saviour of France's historic estates. That was the belief of Joachim Carvallo when he founded La Demeure Historique, the country's private owners' 'trade union'.

Carvallo's proud legacy has continued lobbying successive French governments, gaining tax concessions in exchange for public access to listed properties. As a result, visitors to France this summer will find more chateaux than ever to visit.

Carvallo was a Spaniard by birth but he had already made one big contribution to the cultural life of his adopted country by restoring the Renaissance chateau of Villandry in the Loire Valley, and creating the famous gardens there.

Carvallo worked hard to persuade members to open their houses to the public. One of the first was the great chateau of Maintenon. And its owner, the Duc de Noailles took visitors round himself.

Henri-François de Breteuil has been its president since 1982. He is from a family with a long tradition of public service. One Marquis de Breteuil was prime minister under Louis XVI.

During his years in office he has indeed steered the organisation towards ever greater professionalism. A staff of five, working with the council from an elegant 17th century pavilion on the banks of the Seine, administers an annual budget of FF2.6m.

But he says: "It is possible to turn a property into a company, which helps with the sharing out and you still get fiscal advantages. A few people have done it, but you cannot get round the division altogether."

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OUTDOORS

Fishing / Tom Fort

Tackling tempestuous Iceland

To arrive beside a great salmon river to find that one's companion is already playing a fish - having sneaked into position the night before - even before there has been time to assemble one's own tackle, and then to be summoned to watch the same friend into his second fish, is to have one's sportsmanship subjected to a searching examination.

tree branches outside that window make a discouraging start to the day. Watching the curtains of rain being driven along by a force 10 gale was bad enough. Being out in it and trying to cast a fly was beyond a joke.

manage a decent cast. And to my Willie Gumm came as bright and fresh a summer salmon as the heart could desire. The spirits rose, but not for long. By the time fishing resumed, so had the wind and the rain. That evening it was my turn to fish the pool by the lodge, where my friend had caught his two salmon, and where, the previous season, more than 400 fish had been taken.



which bursts from the lower falls and waded the long bank of dark sand, the line unfurling across the most perfect stretch of salmon fly water I had ever seen. The strength of the fish was unbelievable, summoning its reserves, just as I had thought it

beaten, to streak off seawards once more fixing line off my reel, only to be dragged back for the last time. This was indeed Iceland, where volcanoes frown, geysers heich, glaciers gleam; where the name Magnus Magnusson fills pages of the telephone directory, a bottle of whisky costs £80; and where a disproportionate number of the world's finest salmon rivers run and are properly prized.

Our river, the Banga, is something of an oddity among them. Its character has been shaped by its proximity to Mount Heikla, a volcano identified by Jules Verne as the doorway to the centre of the earth. Volcanic rock and ash blacken huge areas, and the sand blown

In truth, it is a magnificent fishery and we suffered no disappointment. The fishing in Iceland, like everything else, is expensive. But within that context, Thorstur's fishing is more moderately priced than most, at around £800 a day in prime time, which includes decent accommodation, first-rate tackle, and transport costs. On the day we left, the party which had just arrived had 17 salmon, including two of 20lb. Not that we minded. We had shown the fish who were their masters. On the way to the airport, Thorstur stopped off at a trout stream at which my companion caught a wild, four-pounder. And I caught a fish I had never encountered before - an Arctic char. The season of the Banga runs from late June to October, with the best of it in July and August. Inquiries to Thorstur Eklidsson, Farmajold 187, 112 Reykjavik, Iceland. Tel/fax: 354 567 3204.

For those spending August in foreign climes there is the perennial worry about bedding plants and the lack of water. I no longer have to take August holidays with the children so have returned to appreciate old favourites at home in the garden. They are not bedding plants but the maligned variety of daisies.

The 1960s encouraged a pastel revolution in high-rise gardening and many of our daisies were the first to be given the boot. Yellow was thought to be a problem and the tide was supposedly turning against herbaceous borders. I remember eyeing some old ancestral yellow perennial daisies during the school holidays and being thankful that the great authorities of the day could not see them.

They looked so bright, so horribly contented and coarse in the leaf. This little deviation is now becoming history. All the recent books on colour are enthusiastic about hot colours, yellows included. They tell us all how to segregate them and how to combine them with appropriate matches in the rainbow. I seem to have caught up with this second time around fashion, having not thrown out the daisies in the first place. They are the mainstays of August. Those of you who are still trying to enliven or rearrange borders in a serious garden may need to be reminded where to look.

My first stop is among Heleniums, a family which always makes me think of great German gardeners, although German gardening is nowadays being idealised for the wild style which is a very small part of it. Heleniums have dark cones at the centre of the flower and petals which turn backwards in the cool of evening, as if they are modestly putting their ears back.

Heleniums are foolproof and I have never known anybody, even me, succeed in killing one. The best one is Moerheim Beauty which begins to show its brown-red flowers in July and continues until late September. It is about 3 1/2 ft high, needs no staking and grows anywhere which is sunny. I think it looks spectacular beside strong crimson, especially the sprays of flower on the older forms of Montbretia.

Moerheim Beauty is remarkable value because of its long season and is one of the better forms, certainly better than the common yellow or the Butterpat with leaves that are a paler green and more prominent. This helenium should be dead-headed carefully in August, by taking out the central flower-stem and shortening the side stems back to new buds.

Moerheim Beauty is not the only excellent form: other good ones in dark colours are offered by Four Seasons nurseries, Forncett St Mary, Norwich, Norfolk. The next choice is the underestimated family of Inula - popular in our grandfathers' gardens. There are several winners, of which the



Inula Hookeri is one of the varieties of this underestimated family that was popular in the gardens of our grandfathers

Gardening

Daring daisy returns

Robin Lane Fox says put prejudices aside and opt for the old garden favourites

most spectacular is the orange-flowered Inula Royleana with rough leaves and stems up to 5ft high. Its near-equivalent is the very easy Magnifica from Iran and Afghanistan. This tremendous daisy grows up to 7ft and will compete with any amount of weeds if it is in soil which is relatively damp. Both Inulas hate drought, but they have the most marvellous boldness - two or three plants can punctuate any August border. They can also be divided easily when they are contented.

In southern France and Tuscany, sunflowers are beginning to hang their heads, ready to be turned into bird seed and cooking oil. In gardens, their close relations are a continuing source of pleasure into September. Four Seasons is a

source for three of the best, the tall and gently coloured Lemon Queen, the stronger yellow of the excellent Capenoch Star and the cheerful Gullicks Variety. The first one is the plant for you if you can only tolerate soft yellows, but the other two are just as good on any soil, although they all respond to plenty of water and occasional feeding. They have much smaller flowers than the commercial sunflower and are well able to support themselves.

It is odd that careful gardeners fight shy of the plants and then complain that the back row of a border is such a problem in August. My best daisy this year is one of the oldest favourites which at last is widely available. Anthemis War-

grave is the daisy which starts to flower in early July and has hundreds of lemon yellow flowers at a height of between 3ft and 4ft. The leaves are small and inconspicuous and the flowers share the habit of heleniums by turning back the petals in the evening. This habit makes both plants disappointing as cut flowers, but it is not a serious failing in gardens.

Wargrave flowers so persistently and truly that it has friends and few enemies. It needs staking which is probably why nurseries have tried to substitute lower-growing forms which are not such a clear shade of lemon. If you dead head the true Wargrave, you can keep it flowering until early October. In spring, you can pull off its young shoots and root them by the

dozen as cuttings to flower in the same summer. You need only one parent plant to start you off and I would never want a significant border without it. Pastel prejudice and the move away from herbaceous planting should never have diminished the power and charm of these obliging families. Daisies multiply as the year advances and I have learned to try anything in the general sunflower range, even at random from a seed catalogue. If you still need to be persuaded the place to change your mind will be the RHS Autumn Show, beginning on Tuesday September 17 in London. I expect almost all of these varieties to be exhibited and offered for sale, allowing you to plan for a real year of hazy daisy in 1997.

'Pets' with no riders

Keith Wheatley looks at how rarely some horses are ridden

Can a horse be a "couch potato"? The biggest survey ever commissioned of Britain's equestrian sector has just revealed that 88 per cent of the nation's 600,000 horses had not been ridden during the week prior to the poll. Another 16 per cent had worked for less than an hour.

"A lot of these animals don't seem to be getting much exercise," says Howard Biggs of market researchers Produce Studies, which contacted 4,000 individuals and interviewed more than 600 riders to produce the study.

"They look like an under-utilised asset when you analyse the cost," he says.

He found the average horse costs its owner around £3,000 to buy; the equivalent pony close to £1,500. Those figures translate to an average of around £35 per week, with the bulk of that being spent on feed and shoeing. "There's always been a prevalent misconception about horse people having an enormous amount of money," says Bridget Duerden of the British Equestrian Trade Association (Beta), which commissioned the survey.

"This data is saying that you don't have to be rich to ride."

In fact, riders outnumber owners by around four-to-one, a fact explained by 1.5m enthusiasts who get their riding fix either through a lesson or from hiring a horse at a livery stable. About 26m riding lessons take place each year, at a

total cost of around £400m. Produce Studies also spoke to around 4,000 people who were not actively involved in the British equestrian scene.

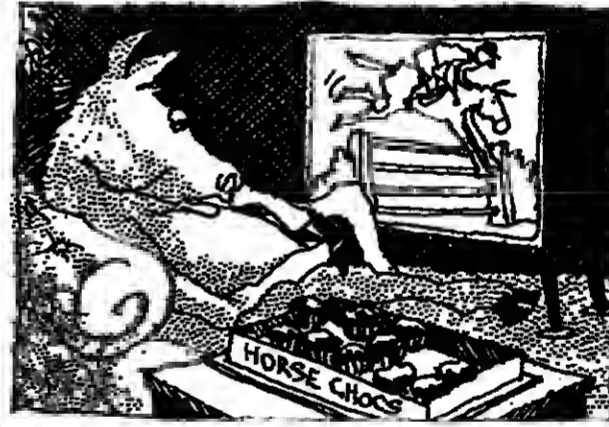
It found that for every rider there is at least one other person in the UK who would like to take up riding. Perceived expense and the lack of free time were the inhibiting factors. Fear of falling off was hardly mentioned. Unsurprisingly to anyone who has ever spent a country weekend attending a horse show, 72 per cent of riders are female, with a third of the overall figure aged 15 or under.

Although Produce Studies' survey is the largest so far undertaken, previous studies suggest that the size and value of the recreational horse world is largely static.

"That's certainly our general view," says Duerden. "And Beta is happy to have some reliable data to cure some of the over-optimism of recent years."

"This industry has been plagued by people, from small manufacturers to retailers, who think that horses are a crock of gold. It does no one any good to have shops opening that close six months later, or new tack that is unavailable next year."

The horse world is prime example of one in which owners are led by their hearts rather than their wallets: apart from the 200,000 horses which had not been ridden in the past week, the survey uncovered another 11 per cent which were simply "big pets" to their owners.



Country Notes / Clive Fewins

Shshsh... otters are back on the Thames

They are back - it's definite. I heard this brief and futuristic conversation between two acquaintances one early autumn evening two years ago in the small west Oxfordshire town of Bampton.

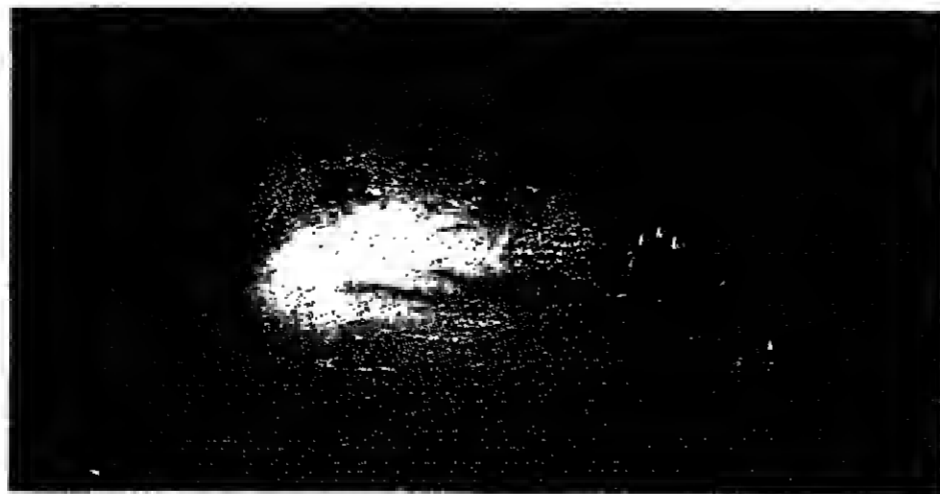
I guessed the subject was otters having earlier heard whispers about the return of these elusive native mammals to the upper reaches of the Thames. When I carefully contrived to bump into one of the two acquaintances a few days later and raised the subject of otters he played a total dead bat.

Otters? back in the upper Thames? Nonsense. It was far too polluted. Who on earth could have advanced such an implausible theory? Twenty-one months later the secret is out. Otters are back on the Thames near its

confluences with the rivers. Coln, Churn and Windrush. To confirm this turn to page 60 of the exhaustive 220-page Otter Survey of England, published by the Vincent Wildlife Trust.

The survey, the result of three years of work at more than 3,000 survey sites all over the country, has been compiled with the help of local groups. One such group at Bampton fed their sightings and observations to the co-ordinators of the national survey, Don Jefferies and field biologist Rob Strachan. In the course of the survey Strachan spent 2 1/2 years walking 1,200 miles of river bank in England, visiting 3,188 sites and checking 600 metres of bank at each.

His main evidence came from spraints - otter droppings - which are conveniently deposited in prominent places such as around flat stones projecting from the water by the strongly territorial otters (which like to make their presence known to other river-based wildlife). Strachan fed his results to



Otters: their population is still precariously balanced

Perovt Earth Pictures

Jefferies, an otter expert who carried out surveys of the animal for the Nature Conservancy Council in 1977-79 and 1984-86.

The results of the new survey are encouraging. In some parts of the country, notably East Anglia and the north-west, there have been good gains. In the Thames region, especially the upper

Thames, the signs have been particularly promising. In the 1984-86 survey the Upper Thames was the only main river catchment where no signs of the reclusive native could be found.

"We are very encouraged by the results of the survey as a whole," says Jefferies. "However, there are some

areas of the country, notably the Midlands, central southern and south-east England, where numbers are still very low, running into dozens rather than hundreds.

"The total UK population is estimated at about 7,500, with about half in Scotland and up to 1,000 on Shetland alone, where they feed in the

sea as well as in rivers. "The key to attracting the otters back is keeping the rivers and waterways free of pollution and assisting with habitat creation," Jefferies says.

"It is also important to assist the otters in any way we can to keep them free of Aleutian disease. This is a virus carried by mink and ferrets that have escaped to the wild. If it reached the otter population it could be a very serious setback in their recovery."

"The best means of avoiding this threat is to assist the otters to breed as fast as possible. However, otters tend to die young for a whole variety of reasons and the average litter is only two to three babies. An average female will produce fewer than two male and two female cubs of breeding age within her lifetime, so it is not easy."

The decline of the otter started in the mid-1950s, with the introduction of the organochlorine pesticides dieldrin and aldrin for use as seed dressings and sheep

dips. These chemicals were not usually strong enough to kill an adult otter but they poisoned the eels and coarse fish that are its favourite foods.

By the mid-1960s the creature had vanished from most of the country, 10 years before otter hunting was finally banned. Loss of habitat was another contributory factor in their decline.

A number of groups, including The Upper Thames Otter Habitat project, have worked to restore habitat throughout the country. Often working with school children, the groups aim to create optimum conditions on river banks by ensuring there are plenty of brambles, trees and protruding roots.

"These groups are doing valuable work. Many people do not realise that a male otter will have 30-40 different holds in the 25 or so miles of waterway that is his territory. He uses them on a sort of motel basis," Jefferies says.

Despite past successes, including the release of 80 captive-bred otters in the

wild in East Anglia, southern England and North Yorkshire, the tone remains cautious.

"Although the situation is a big improvement on what we found in the mid-1960s we should not forget that 77 per cent of the 3,188 sites surveyed in the report showed no sign of otter."

"In Ireland, with its lower pollution levels, less intensive agriculture and lower level of industrialisation, we found 100 per cent occupation of surveyed sites. Given the fear of disease, the otter is still very precariously balanced in this country," says Jefferies.

Decline and Recovery of the Otter in England, by R. Strachan and D.J. Jefferies. The Vincent Wildlife Trust, 10 Lower Lane, London, EC3R 8DT. £5.

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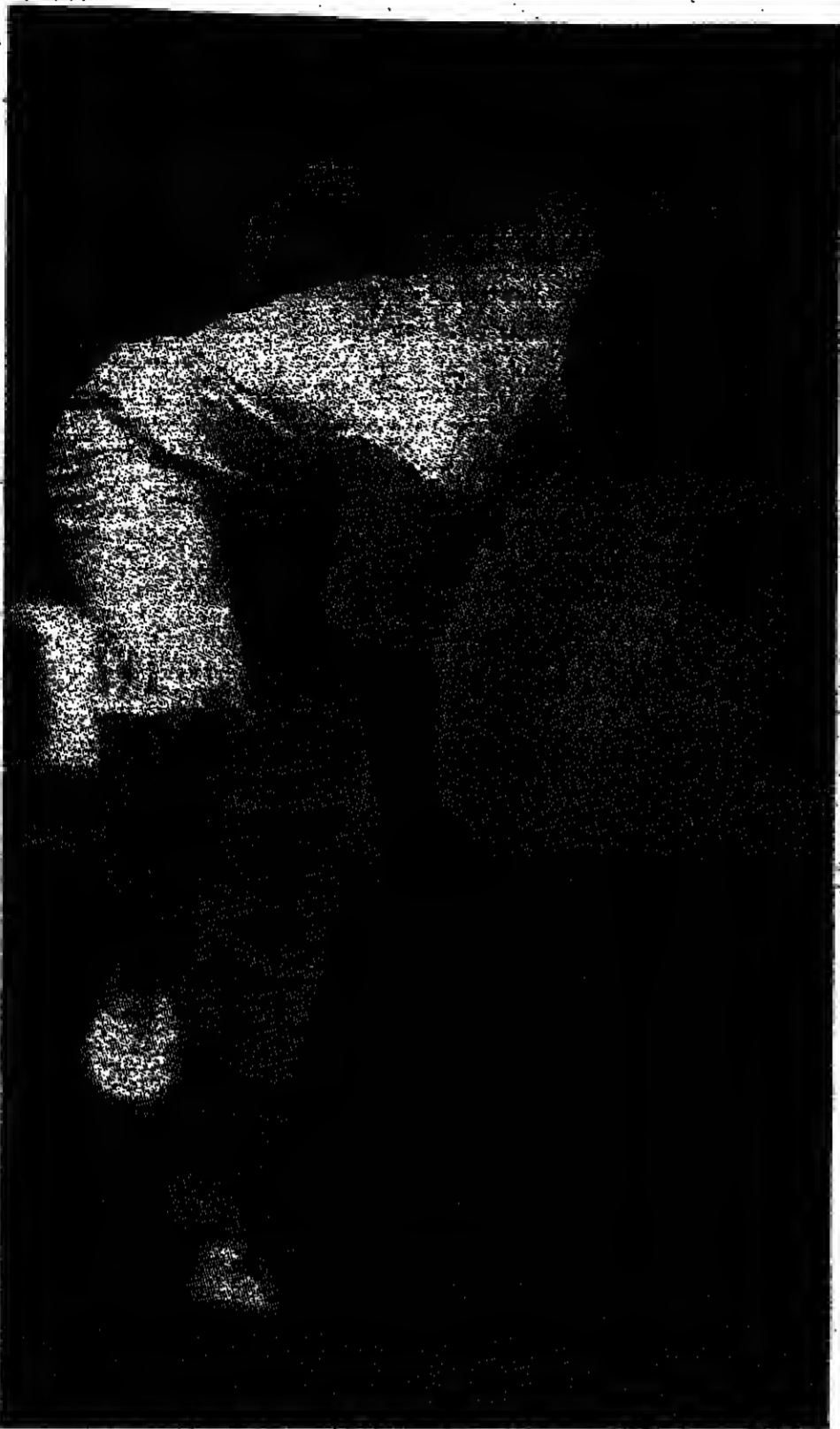
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SPORT / MOTORING

صباحنا من الامل



Waqar Younis: possesses a crucial empathy with the ball, the air, the turf and batsmen



Derek Underwood: one of his last-ditch tactics was to talk to his captain about the ball

Sailing
A fond but glad farewell to Britannia

Keith Wheatley says there is more to Cowes than big yachts

Britannia's stunning farewell to Cowes may have been the best thing that ever happened to the regatta. The Royal Yacht's dark blue, annual presence at the harbour mouth has been a constant for 85 Cowes Weeks. Most of the younger sailors will be unaware that there was a time when she was not there.

Of course, the old lady's gracious cruise along the shoreline, accompanied by a flotilla of tooting, hooting small boats, and a starting cannon salute from the Royal Yacht Squadron was visually impressive. But perhaps Britannia's withdrawal from the scene will mean the end of a few misconceptions.

Princess Anne, the Duke of Edinburgh and Prince Edward come to Cowes for a few days each year because they love sailing, especially racing. On Sunday father and daughter were racing on separate boats, the Sigma 38c Yeoman and Arbitrator respectively.

In one of the most exciting races the class has had for years, the two yachts headed upwind, alternately leading the pack to the finish line. Just seconds separated them when another yacht, Pointe North, came charging through on right-of-way starboard tack.

The Duke took the safer, more cautious option and dipped the insider's stern, losing ground during the manoeuvre. Anne's boat crash-tacked beneath Pointe North's bow and went for the line, finishing well ahead of the paternal rival.

Most people with any interest in sporting competition will understand why such racing fires the blood.

The Princess Royal and her father do not come to what is still the world's greatest participant sailing regatta because they can stay in the old-fashioned 300ft floating hotel with 266 curiously uniformed staff.

Yet to read Britain's tabloid newspapers, Britannia's withdrawal will threaten the future of yachting.

They do things differently in Spain. King Juan Carlos and his son Prince Felipe (who sailed in the 1992 Olympics) are in Palma racing at the annual Copa del Rey regatta. This year it clashes with Cowes Week so a few big names have had to make hard choices.

Ten days or so ago the King's motor yacht Fortuna suffered engine failure. It is about one-third the size of Britannia, fast but modestly styled and the owner drives it himself much of the time rather than employing the pomp and circumstance of the Spanish navy.

Without his yacht, Juan Carlos secured accommodation ashore. End of story. No newspaper hand-wringing about the damaged status of a sailing, which is growing in popularity in Spain.

Juan Carlos and his family have contributed to its popularity. They are genuine enthusiasts, although it

Perhaps Britain is ready for its very own 'dinghy princess'

at the regatta will learn more in an hour there than in a day at the fossilised Royal Yacht Squadron club.

Pictures of the big yachts may dominate the newspapers and magazines but that is because they make exciting photographs. The return of the 80ft maxi-yachts to Cowes Week is of no more weight than the continued health of the KOD class. This 1908 design of boat is still extraordinarily healthy and competitive, with more than 70 entrants.

Just as significant to the annual event is the return for a second year of Cowes Week sponsor Skandia Life. This is a mass market financial services company, not a discreet private bank of the type one might have seen backing Cowes a decade ago.

"If it was elitist then quite frankly we wouldn't be doing it," says Skandia marketing director Bill West, whose company spends £500,000 a year sponsoring Cowes. "It's a fantastic showcase and highlight for marine recreation."

So farewell Britannia. A dominant image but possibly a deadening one. The low countries talk of their bicycling monarchs, so perhaps Britain is ready for its very own "dinghy princess".

Cricket
Tampering is a non-event

Ball tampering is too often used as a distraction from loss of skill, says Teresa McLean

Despite my distaste for the publicity-drenched case just fought out between Imran Khan and the combined forces of Ian Botham and Allan Lamb, I share Imran's disgust for what he called "the dreadful issue of ball tampering".

Imran and I have different ways of showing it, but we agree that ball tampering is a dead end and a non-event. This activity has a knack of turning up when players are unhappy. But in all those hours I spent in the 1960s and 1970s watching Garfield Sobers make the English bowlers look like his scoring assistants, I cannot remember a single complaint from him about ball tampering.

I doubt if Botham spared a thought for the condition of the ball he was hitting all over Headingley in the unscrupulous 1981 Test. If the ball was losing its shape the best thing to do was hit it twice as hard. As every batsman knows, that makes it

feel both big and soft and if the ball does become misshapen the bowler has even more problems controlling its delivery.

Bowlers can complain about the ball "if it is lost on, in the opinion of the umpire, becoming unfit for play" (Law 5). Bowlers value their ammunition and distortion of its form can be blamed for distorted or uncontrolled bowling.

Personally, I prefer to bowl with an odd-shaped ball, in case it gives my lifeless drifters an element of the unexpected. I felt a kinship with Waqar Younis when he chose to continue with the old ball with which he was destroying England's second innings of the Lord's Test, although his bowling was already lethal.

I remember Derek Underwood telling me years ago that when he really could not get his bowling to work and everything was going wrong, his last-ditch tactics were to talk to his captain, first about the field placements,

as if he had some great plan in mind, then about the ball, with much feeling of the surface and shaking of the head, as if he could not be held responsible for what might be about to happen.

"Something will worry the batsman. The trick is to stop short of worrying the umpire," he said. Many

none of them mentioned ball maintenance or tampering. Nor did they mention law decisions. Instead, most said "caught behind" decisions were difficult because they were so fleeting and marginal.

At the county level it was a different story. I was surprised when a couple of umpires said they found it a nuisance "keeping firm control of the ball issue. If you let it become a grievance, there is no peaceful way out and someone always ends up blaming it for their defeat."

No cricket scapegoat is quite as perplexing as the ball, partly because it is variable and unpredictable, despite regulations on the size and weight of a standard ball.

"Each ball has a character of its own," says former West Indian off-spinner Lance Gibbs, with the wisdom of many years Test experience in the 1960s and 1970s.

"I always tried to get to know it, then make the best

The personality of particular cricket balls is part of their value

umpires would be glad to agree with him.

For umpires, changing the ball is of little concern at village and local club level because there is often no alternative ball available. I asked village cricket umpires what was the most difficult part of their job -

Motoring
Search for a clean car, quiet lorry

Stuart Marshall assesses the viability of the battery car and natural gas fuel

City centres could be cleaner, quieter and even smaller than they are now - that is if a mass market for battery-electric cars developed.

Sadly, the breakthrough in battery technology that would make electric cars a viable proposition has been talked about for decades but seems as distant as ever.

Converting diesel engines heavy lorries to run on compressed natural gas makes them less objectionable and intrusive in urban and suburban settings. The technology is available. And the lorries? There are just four in Britain, all made by ERF of Southwick, Cheshire.

ERF recently demonstrated the lorries at the Motor Industry Research Association proving ground in the Midlands. At town-traffic speeds their engines of up to 300hp sounded more like those of large cars than

typical grunting juggernauts. Tests show that their poisonous and particulate exhaust emissions are negligible.

Large lorries will never be inconspicuous; they are an elephantine intrusion upon townscapes. But converting their turbo-charged diesel engines to spark ignition and fuelling them on compressed natural gas means they are environmentally more acceptable.

Will they become the British road haulage industry's first choice? Regrettably, no. And they will not do so for the foreseeable future because compared with diesel engines, gas engines cost more to make and run.

In addition, such lorries will probably be worth less when their first owners sell them on. The heavy gas storage cylinders cut payloads by 500kg-750kg and a limited operating range means they

can only be used for depot-based deliveries.

It therefore follows that clean, quiet gas-engined lorries need much cheaper fuel if they are ever to compete with diesels.

In Britain, compressed natural gas (CNG) costs about £2 a gallon (hauliers still think imperial) which is the same price as bulk diesel. The break-even figure is £1.45 per gallon. What hope is there of the government reducing its tax take on CNG by 50p per gallon? If its refusal to give environmen-

handicaps of battery-electric cars, too.

Battery-electric cars could be used for short journeys but will not make any real impact on the car market until it is possible to recharge batteries as easily and quickly as it is to fill petrol and diesel tanks.

As yet the infrastructure is not in place to enable quick and convenient recharging, and until the battery car ceases to be less of a curiosity and more an accepted alternative to petrol/diesel it is unlikely the infrastructure costs will be borne. It is a classic chicken or egg situation.

British Gas, however, believes that converting diesel engines heavy lorries to run on compressed natural gas is a viable alternative and intends to install refuelling points in lorry fleet depots free of charge. All the operator pays for is the gas.

The shortage of refuelling points is one of the main



This has been an ideal summer for convertibles. For reasons of health, comfort and practicality, however, I prefer an air-conditioned saloon. Even so, I thoroughly enjoyed driving a Ford Escort Cabriolet (above) for a mainly fine week, writes Stuart Marshall.

Gentle driving topless in country lanes is very pleasant. But an open car - even one minimising wind buffeting as effectively as the Escort does - is not so good on motorway journeys. One realises that being closed-in shuts out most of the racket made by other traffic.

Life being what it is today, parking an open cabriolet for even a minute or two is imprudent but at least the Escort's power-operated hood works at the touch

of a switch - only a pair of clamps holding it on to the windscreen rail have to be undone and undone by hand.

The £14,465 Calypso Cabriolet rode well enough over less than perfect roads even though it did not feel as bodily rigid as a hard-topped Escort. Its 90 horsepower, 1.8-litre engine, silky 5-speed gearbox and power-assisted steering made it agreeably lively and nimble. It has a fixed roll-over bar for safety, front electric windows and driver's airbag. The heated glass rear window is so much better than those horrid flexible ones that become opaque in wet weather.

Automatic transmission is a £930 extra for both Calypso and the more powerful and luxurious £16,465 Ghia Cabriolet.

سكنا من الامل

TRAVEL

Ethiopia: seven years late or six hours early

Nicholas Woodsworth learns of unorthodox Christianity in a land that baffles visitors with its clock and calendar

I first began suspecting that Ethiopia was not of this world when I checked into my hotel in the lakeside town of Bahar Dar. It was, according to the hotel register there, the fifth day of Meskhit in the year 1988. "Local time, of course," explained the man behind the desk, pointing to a Ministry of Tourism poster on the wall behind him. "Ethiopia - Thirteen months of Sunshine", it proclaimed.

Ethiopians calculate time not by the 12-month Gregorian system but by the Julian calendar abandoned elsewhere centuries ago. Although it packs more months into its year, the country drags along eternally seven years behind everyone else.

But that is not all - there is far wider scope for confusion. In Ethiopia the day officially begins at 6am, so that 12 noon is six o'clock, 6pm is 12 o'clock, and so on. This may explain certain discrepancies that bedevil travellers in Ethiopia - why airline schedules seem so variable, or why hotel meals are sometimes late, and sometimes early, or why wake-up calls never get made at all.

Other mysteries, though, appear to have very little explanation whatsoever. I had come to Bahar Dar to visit the renowned island and peninsula monasteries of the Ethiopian Orthodox church. The majority of Ethiopians are devout Christians and have been so, in fact, far longer than the inhabitants of Europe. This would seem to give us, I reasoned, a certain commonality of outlook. The longer I stayed in Bahar Dar, however, the more I realised Ethiopia is like nowhere else on earth.

I spent the early evening sitting in the gardens of the Ghion Hotel, looking out over the waters of Lake Tana and watching marabout storks take roost amid the maize bushes of the garden's jaccaranda trees. In the cool twilight, I was long-sighted, and the birds' silhouettes were lovely and mysterious. The perfect setting for a spiritual epiphany.

ing on life's deeper puzzles. My own puzzlement that evening, though, had nothing to do with the sacred. On the contrary, it had to do with a local night-life that was unexpectedly lusty and profane.

After decades of Ethiopian disaster stories - drought, famine, revolution and civil war head a long list - everyone knows the country is desperately poor. Ethiopians barely manage to keep themselves in shoes. On the other hand, they put much energy into producing and consuming all manner of stimulants: coffee, *tej* (fermented honey mead), *lella* (a powerful millet beer), *arak* (even more powerful

No one who has seen the women dance can doubt why the monks moved out of harm's way

distilled *lella*), and *chat* (a euphoric leaf that is chewed), are just some of them.

The bars of Bahar Dar - every second home becomes a bar-grit-thrugged public house after sunset - offer them all in liberal quantities. I spent the evening drinking *tej* and watching the locals dance *iskissa*, a provocative, shoulder-shaking, pelvic-pumping body oscillation that makes *lella* look like a drop-out from suburban ballroom-dancing evening classes. No one who has seen an Ethiopian woman dance an *iskissa* can doubt why Bahar Dar's monks have parked themselves out of harm's way in secluded spots far across Lake Tana.

Even the fresh, bright, following morning brought its mysteries and improbabilities. As we loitered across the lake in a small motorboat, past flocks of

flamingoes and wallowing, water-logged papyrus fishing craft, I talked to Andrew, the young Ethiopian who was going to show me around the monasteries. My knowledge of the Old Testament is rudimentary, but the tenets of Ethiopian Orthodoxy he outlined to me were highly unorthodox.

Ethiopia, Andrew and his countrymen believe, was founded by the great-grandson of Noah. He was not a bad ruler, but the greatest of the royal line was a queen who established her capital in Sabab in northern Ethiopia. Known to the west as the Queen of Sheba, she travelled to Jerusalem to visit King Solomon; so well did the two get on that she went home not only converted to Judaism (there are still a handful of Jews in Ethiopia today), but bearing Menelik, Solomon's son.

As every Ethiopian Christian and Jamaican Rastafarian will tell you, the progeny of Solomon ruled almost uninterupted in the Horn of Africa for millenniums - the last and 237th Solomonic monarch, Emperor Haile Selassie, was only removed from the throne by revolution in 1967 (that is 1974 to you and me).

What every Ethiopian Christian also knows is that Menelik was the perpetrator of one of the west's greatest mysteries. As an adult he returned to Jerusalem to see his father; he brought home with him the holiest of all Judaic artefacts, the Ark of the Covenant containing the tablets of law given to Moses by God on Mount Sinai. While scholars and adventurers have searched for it vainly for centuries it sits quite safely, Ethiopians will assure you, under lock and key in the church of Maryam Tseion in the city of Axum, not far from the old capital of Sabab.

I had no time for further revelations; the boat bobbed up against the rocky shore of the isolated Zeghe Peninsula and we stepped off through a shady forest of coffee bushes towards the 14th century monastery of Ura.

A small boy was sent running; a bearded, yellow-robed monk appeared, a primitive key said to



One of the Miracles of Mary, 17th century on parchment, taken from 'African Zion, The Sacred Art of Ethiopia', Yale University Press, £25

have originated in Jerusalem and in we went.

I am not able to read Ge'ez, the archaic Semitic script in which the sacred texts of the Ethiopian church are written on illuminated parchments. Nor could I speak in Amharic with the 10 monks in the monastery or the 130 priests and deacons who live in surrounding villages. But I only had to glance at the frescoes under the conical thatched roof of their church to confirm that

Ethiopian orthodoxy - whatever the truth of its origins - is indeed an extraordinary institution.

Drawn on the walls of the inner sanctum in the near-naïf style of the early Christian church, were Bible stories that remain as strong and bright for Ethiopians as the primary colours in which they were painted. There were lively images of the archangels Michael and Gabriel, Adam and Eve and apples and snakes, Ethiopia's patron Saint

George killing the dragon, Christ walking on the water, comic-strip like sequences of the pleasures of heaven and the torments of hell.

The endless iconography of the Ethiopian church, like its fragrant, smoking censers, its brilliantly coloured robes, its polyphonic chanting, was a delight to the senses. All vaguely familiar, they are at the same time quite unlike anything found in the west. Close in origin, our two traditions have veered so far apart

as to be sometimes mutually unrecognisable.

But that is the way of Ethiopia. Once on the edge of the classical ancient world, then a Christian kingdom so isolated by geography and the spread of Islam that it was merely a rumour in the middle ages, Ethiopia remains a quirky, obscure and often indefinable place. But sacred or profane, seven years late or six hours early, the children of Solomon are never dull.

Africans called them "the smoke that thunders". It is a name far more evocative of the power and grandeur of the Victoria Falls than that bestowed on them by a white man trying to ingratiate himself with a far-off monarch.

At this time of year the broad and hitherto placid Zambezi, swollen from seasonal rains, flows over the falls at a rate of 400,000 cubic metres a minute, crashing on to rocks 100 metres below. Nothing prepares you for such a sight.

Neither does anything prepare you for the enveloping welcome of the "creamy white buttocks", the post-imperialist nickname for a set of foaming rapids greeting those who choose to ride the river beyond the falls.

All that water, stretching across the 1km-long falls is concentrated into a narrow ravine, in some areas more than 20 metres wide. Little wonder, then, that it was more than 100 years after the first European set eyes on the falls before anyone decided to explore how stimulating it might be to negotiate the rapids.

A group of rafting enthusiasts from Los Angeles decided to test them out in 1991. The group formed a rafting company, now operating from the Zambia side of the river.

"Thus was born one more addition to what has become an almost bewildering range of stunts designed to produce adrenaline rushes for young people who have never heard an all-terrain car or the whistle of a turbo-jet."

Victoria Falls, Zambia, has to be one of the world's top thrill-seeking destinations. First you can see the falls, then you must fly to them in a micro-light aircraft or helicopter. Finally you can ride the rapids. If that is not enough you can leave your brain at the hotel and leap off the bridge over the gorge attached to the legs to a 100-metre-long piece of elastic. People pay nearly £100 a time to do this. I settled for the rapids. Although I was told they were not as worrying at this time of year - just after the rains - as they were in the low water season, the huge volume of water has a mauling effect on the rocks.

White knuckles and white waters

Richard Donkin - and some indestructible Australians - ride the rapids of the Zambezi



We could either simply hang on, or take a paddle and try to control the raft ourselves

No one appeared to have told the crew of an accompanying raft as we swept down the first set of rapids and they were catapulted, en masse, into the foam.

All the rapids have nicknames. Beyond the buttocks were "terminator one" and "terminator two", and the "washing machine". The epithet "blizzard" was reserved for a particularly nasty set of rocks. Rapids, like rock-chests, are graded for their degree of adversity up to six. The Zambezi river rapids reach a degree of 5-plus.

So, the head guide of Shearwater Rafts, the biggest operator on the Zimbabwe side of the river, told us that we had two choices on the rapids. We could either have a passive role where an operator steered the boat and the occupants simply hung on, or we could each take a paddle, perch on the

side, and do our bit to control it ourselves.

It was not an easy choice. I had been worried enough about the journey to pen some funeral instructions earlier that morning. Dylm, Thomas's evocation, "Do not go gentle into that good night," seemed appropriate so I grabbed a paddle.

Our steerer, a burly Zimbabwean, nicknamed Hippo, partly because of his girth and partly because of his love of total immersion, told us he had no intention of going in the water. This was encouraging because I was sharing the raft with seven Australians from Teletsa, the Australian state-owned telecommunications group, one of whom seemed intent on getting a ducking. "Are we going to flip it?" he asked expectantly.

Now, I don't mind doing something with an element

of risk, but when someone over whom I have no control is intent upon introducing an additional degree of recklessness, I become upset. I measured the thickness of my paddle blade against the gap between his chin and chest. If it came to it, I thought, a swiftly administered chop to the throat would do the trick.

The only drawback of sharing a raft with seven Australians is that they insist on entertaining you with a full complement of the perils of living in Australia. This included the "red back" spider which hides under lava-tory seats and bites your bottom (non-lethal), the "stingers" (jellies), venomous jellyfish which inhabit the seas around Darwin, the saltwater crocodile (incredibly lethal), which live among

those circumstances the occupants tended to be catapulted out as it straightened.

The sturries could not have been closer to home. The indemnity form we signed before the trip seemed longer and more comprehensive than the US Constitution, enough to beat off the most formidable stateside contingency lawyer.

There is a reason for this. About six people have been lost since rafting began on the river. Only last autumn a Manchester woman drowned under after her raft capsized. The previous May a South African broke his neck on a rock.

The rapids must be treated with respect. One raft became stuck in what is known as the "seven day eddie", a swirl of water so powerful it is impossible to paddle out of it. It had to be dragged away after its occupants leaped to the bank. We watched them after clambering on to the rocky bank on the Zambia side of the river.

What was it like? Is there anything to be afraid of? Is it necessary to make your will beforehand? It was rather like riding on a roller-coaster, perched on the top of the seat, without a safety harness and without the certainty and direction afforded by rails.

Apparently funnel webs have a memory. I heard of an occasion when one of their number, swiped away in an angry gesture, pursued its tormentor across a road, ran up his leg, and delivered the coup de grace.

None of these dangers seemed particularly immediate or relevant apart from the crocodiles. We saw small crocodiles on rocks by the side of the river. These had survived being washed over the falls.

My Australian companions, however, had more pertinent tales of terror. Colin, a veteran of white water rafting on the rivers Tully and Namoi, spoke of rapids so turbulent that they bent the front of the raft sufficiently to meet the rear. In

the water-flow, particularly after the rains, is usually sufficient to carry you well clear of rocks. But turbulent white water can be dangerous. It is that element of uncertainty that attracts people.

It was probably an acceptable risk, possibly less than cycling in London traffic. Definitely less, it seems, than that undertaken daily by the average suburban Australian. But then, we didn't fall out.

Richard Donkin's visit was organised by Bales Worldwide Tours, tel 01306-88391. White Water Rafting is available from Shearwater Adventures, Victoria Falls, tel 00 263 13 4471.

Richard Donkin's visit was organised by Bales Worldwide Tours, tel 01306-88391. White Water Rafting is available from Shearwater Adventures, Victoria Falls, tel 00 263 13 4471.

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BOOKS

Time for another social revolution

The history of race and equality throws light on the changing face of society, says A.C. Grayling

Writing about "the Negro, the Hottentot, and the Kaffir" in 1850, Robert Knox stated that because these peoples are "destined by the nature of their race to run, like all other animals, a certain limited course of existence, it matters little how their extinction is brought about".

Contrast this shocking remark with another: the claim that airline pilots from cultures where individualism flourishes cause fewer accidents than those from traditionally hierarchical cultures. A moment's reflection shows that this claim, drawn from a serious research project into airline safety, is no less racist in implication than Knox's, despite being comfortably disguised in the rhetoric of cultural rather than biological difference.

And now, to complicate the picture, ask yourself whether anybody still believes in apartheid, apart from a few unreconstructed Boers on their bushveld farms.

The answer is yes: namely, members of the black liberation movement in the US. They want their own schools, their own traditions, the assertion of their difference from surrounding white culture. Theorists of their struggle argue that earlier liberationists like Martin Luther King sought freedom through integration, by accepting the values and imitating the lifestyles of whites. Instead - argue these contemporary theorists - we should assert the right to be different, to be separate.

In his important, cogent and illuminating book Kenan Malik argues that this rejection of the concept of universal equality is the result of "postmodern pessimism". The Enlightenment dreamed of human equality, but

its aspirations seemed to be contradicted by the historical fact of inequality - chiefly, the inequality of wealth exacerbated by (and endemic to) capitalism. So Nature was called in aid to justify inequality, by claiming that some people - and some peoples - are naturally inferior to others. "Savages" were taken to be lower on the biological ladder than whites, unfitted because of their primitive intelligence for the sophistications of white society. But this widely accepted biological theory, fashioned and honed in imperial Victorian times, was later cast into terrible disrepute by the atrocities of Nazism. After 1945, biological racism was quiescent.

With the ending of the cold war, however, racism has reared

its demon's head again, this time feeding on beliefs about cultural differences. People who once opposed West Indian immigration into Britain now say that it does not fundamentally challenge the

THE MEANING OF RACE
by Kenan Malik
Macmillan £12.99 paper, £40 cloth, 323 pages

British way of life, whereas more recent Moslem immigration does demonstrating that the biological category of colour has been replaced by the cultural category of religion and social ethos as the symbol of danger.

Malik's aim in this brilliantly ambitious book is to understand the concept of race by examining

its social and historical sources. He advances, and persuasively justifies, a number of important claims. One is that Enlightenment thought embodies universalist notions of human equality and rights, and that these were subverted by the harsh practicalities of inequality in capitalist society.

Others have argued that the Enlightenment is itself to blame for racism, by preaching sharply scientific biological and anthropological categories; but Malik cogently disagrees. Another of his claims is that the contemporary fragmentation of the world into conflicting racial and religious groupings is a product of postmodern disenchantment with the idea of progress.

A crucial premise in Malik's

argument is that race is not a biological category, but a socially constructed one. There is no longer any disputing this claim. Genetics shows that 85 per cent of all variation among people occurs between individuals in the same local population, whereas just 7 per cent of such variation occurs between "major races" (e.g. Caucasoid and Negroid). Given this, the use of, say, skin colour as a way of grouping people, is hardly less arbitrary than, say, ear size or shape. The real reason for classification into races is a social one, expressing the historically conditioned needs of a given society at a given time. History abounds with examples.

Among the contributions Malik makes in this book is his demon-

stration of how racist discourse has shifted its ground from biology to culture. He vigorously contests the "politics of difference" with its assertion, by the very people who so recently suffered it, of a kind of apartheid.

If there is to be a solution to the problem of race, Malik argues, there has to be a rethinking of the relationship between the universal and the particular - between, for example, the universalist claim of human equality, and the particular experience of individuals in an unequal world. As a way of combating the disenchantment and sense of failure that has undermined the universalist conception because of the universalist's recent wars, and a dystopian and exploitative economic order, we need, says Malik, "not just an intellectual revolution but a social one too".

Understanding a problem is the crucial first step to solving it. Malik's thoughtful and thorough account takes us a long way towards that goal.

The boys we never really knew

Nigel Andrews trips through time with Hollywood's juvenile stars

In his film critic days Graham Greene shut down an entire, short-lived English periodical by provoking a libel case over Shirley Temple. Some unwise words about the moppet's appeal to grown men, or more exactly to grown studio chiefs, brought the wrath of Hollywood on his head.

Now here is the informative, handsomely illustrated *The Moving Picture Boy*, an encyclopaedia whose qualification for inclusion is male screen fame between nine and 14, and I must guard my words. If I say that its most avid readers may include a social group beginning with P, I mean of course "picturegoers".

They and everyone else should come armed with curiosity and a few ounces of feyness repellent. Author John Holmstrom has plenty of both, plus an impeccable CV. As a former critic, BBC broadcaster and British Film Institute governor he is not about to go gooey, though he can be tactfully tart, about the likes of Freddie "David Copperfield" Bartholomew (curly hair and poisonously post vowels), Jackie "The Kid" Coogan (doe eyes, pageboy fringe and Carrie Fisher cheeks), Brandon De Wilde (famous for that lethal cry of "Shay-ayne!"), Macaulay Culkin or Ricky Schroder.

Sorry, he does go gooey about Schroder, but that is understandable. Rare among child actors, Master S showed an adult toughness and togetherness along with the tears. But then what happened to him? Along with most moppets, he declined into what Holmstrom calls "the vale of teens" and was last seen in a cameo bantening down a hatch in *Crimson Tide*. What else happened to the

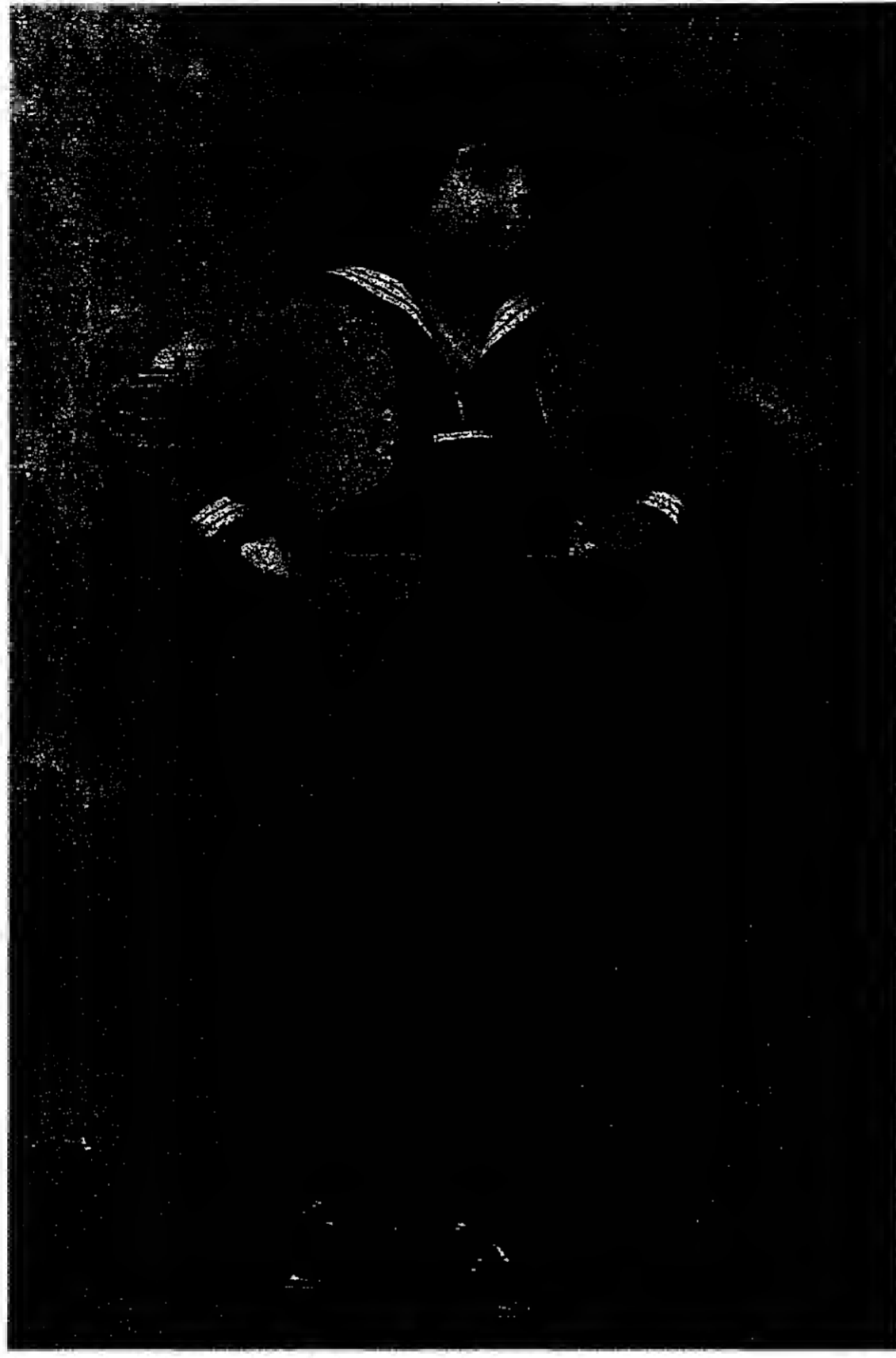
golden boys when they grew up? A few remained famous, like Mickey Rooney, Roddy McDowell and Kurt Russell. Some graduated to real jobs, like *Oliver Twist's* John Howard Davies (head of BBC Light Entertainment) or *The Yearling's* Claude Jarman (director of the San Francisco Film Festival). Most vanished into anonymity or worse.

Drug tales pepper these pages, none more than the death of Bobby Driscoll. The boy who once stood windward of Robert Newton's Cornish accent as "Jim lad (a-harrh!)" ended as an unident-

THE MOVING PICTURE BOY
by John Holmstrom
Michael Russell £39.50, 551 pages

tified corpse, riddled with needle marks and buried in a New York pauper's grave. Only fingerprint evidence revealed who he was. This book full of shining faces and sapling limbs ends up, accordingly, a touch depressing. And it is a touch diffuse as well. I suspect we needed more introduction and less encyclopaedising. The preface's piquant comments about child stardom as a capitalist product, and about the poignancy of natural talent made unnatural, raise strong themes that Holmstrom never follows through. Instead we have what seems like a million mug shots plus dates and titles, many belonging to unheard-of foreign tots.

More on the screen youngsters we westerners know, and on why we may never really have known them, would have transformed a pleasant multilingual shopping list into a deeper and more touching treatise on the teenybopper.



Doe eyes, pageboy fringe and Carrie Fisher cheeks: Jackie 'The Kid' Coogan

Fat cats on a musical prowl

Richard Fairman looks at a bloodthirsty tale of power in a once gentlemanly industry

Under the author's name comes his hard-hitting agenda: "Managers, maestros and the corporate murder of classical music." This is not a book for the squeamish. Those who revere musicians like Herbert von Karajan or Luciano Pavarotti as saints worshipping at the altar of music face a rude awakening after Lebrecht's bloodthirsty tale of greed and lust for power.

The business side of the classical music industry has never featured as prominently in the press as its pop counterpart. Until recently people tended to assume that the amount of money changing hands was relatively small and the business was run by gentlemen.

Only with the arrival of the three tenors, Nigel Kennedy's football rattle and Vanessa-Mae in her wet swimsuit was it clear something had changed. Suddenly the man in charge was not the one with the baton. He was the silent figure in the grey suit - and, in Lebrecht's opinion, he had just committed murder.

Essentially, this book charts the story of how people involved in the making of music realised that it could be turned into the making of money as well. The subject might make an interesting historical study and Lebrecht does provide some 19th century background.

But do not be fooled into thinking history is his interest. This book is a polemic, which only gathers material from the past to fire it as

ammunition at the present. It is a good read. Lebrecht likes nothing more than sharpening his pencil for a quick vignette and is adept at making his subjects look as ugly as possible. Ronald Wilford, the power-broker agent, is "pathologically secretive" and a sly operator more at home in *House of Cards*. Herbert von Karajan was a dictator, his priority "like Hitler's in 1938" to master and amasculate the machinery of government.

Walter Legge, the legendary EMI record producer, was a "tubby little chainsmoker - giving dictation with his fleshy wide open". In Lebrecht's discordant world there is no doubt who are the enemies of music. They are the big, multinational agencies, which have cornered the market, pushed up fees and made themselves a handsome profit at the public's expense. The chapters charting the rise of Cami (Columbia Artists Management, Inc) are Lebrecht at his best, giving

plenty of detail to support his thesis about the abuse of power. By the 1980s, with most of the top conductors on its books, he claims that Cami was able to exert control over the world's great orchestras and thereby influence the hiring of soloists. A convincing case is made for

monitoring the near-monopoly positions built up by some of these agencies. The book also gets the bit between its teeth on the issue of fees. It follows that if an agency faces little serious competition, it will respond by putting up its prices. In an appendix, Lebrecht has a go at estimating the earnings of some working musicians. Pavarotti heads the list at \$18m a year. Domingo and Carreras follow at \$10m. Zubin Mehta (conductor of the first three tenors' concert) \$6m. The point here is not the fees themselves, which are no more than the equivalent made by sportsmen, but the system which is prepared to pay them.

Unlike most sporting events, classical music does

not operate in a commercial market-place. Every performance in an opera house or concert hall loses money and has to be subsidised - in Europe by the taxpayer, in the US by corporate sponsors.

By playing on the willingness of governments and others to pour money into loss-making arts events for their prestige value (look at opera in Paris or the music director's \$2.7m salary at Bavarian Radio), the agents have succeeded in raising fees way above a true market rate. In fact, this is not such a new phenomenon as Lebrecht implies. In the 1970s, an opera-house cartel tried to fix fees at a more realistic level, but there was always one that was prepared to break ranks and offer over the odds.

Unfortunately, Lebrecht undermines some strong arguments by partisan use of the evidence and a wildly over-pessimistic summing-up, which invokes a "Dies Irae" vision of eternal misery for the future. So much negative thinking leaves the reader determined to come away humming a happy tune.

There never was a time of perfect harmony. The paradise which he seems to imagine, of a world before agents were invented, when concerts paid their own way and

musicians performed purely for the love of it, is all in the mind. Prima donnas in the 19th century were just as destructive to music in their own way. There have been periods when the top fees were even higher in real terms. Right through history somebody has had to pay the bill and it has rarely been those in the audience.

Contrary to the impression given here, there are still countless individuals working in the industry who were drawn into it by their love for music and who believe passionately in what they are doing. There are more concert halls, more opera companies, more orchestras, more recordings than there were 20 years ago. Yes, the industry expanded too far in the boom years of the 1980s (Lebrecht is entertaining on the rise and fall of Sony Classical) but the rationalisation that is proving so painful will not end in complete shutdown.

I am confident that the music will play on, despite what this title says, but that does not mean the book's tabloid-style exposé of behind-the-scenes money-grabbing is to be ignored. The next time you go to Covent Garden, remember it is not all over when the fat lady sings. There are fat cats on the prowl and the high notes could be theirs.

WHEN THE MUSIC STOPS
by Norman Lebrecht
Simon & Schuster £16.99, 455 pages

Dark side of motherhood

The opening scenes of new novels by Margaret Forster and Helen Dunmore, respectively, are each the consequence of the birth of a child. Instead of being a cause for rejoicing, in both books the arrival of an infant sets in train a sequence of events which allows the authors to explore the dark side of motherhood: illegitimacy in Forster's partly historical *Shadow Baby*, sibling rivalry in Dunmore's *Talking to the Dead*.

Forster has explored this theme before in *Hidden Lives*, which covered three generations of her own family. Returning to it in fictional form allows her to tackle it in a way that is not possible in a book based on real events. Her story begins with Evie, born in Carlisle in 1887 and brought up in secrecy by a woman she thinks of as her grandmother; when the old woman dies, Evie is despatched to a children's home until distant relatives, traced through the birth certificate she cannot read, reluctantly agree to take her into their home.

Evie's quiet intelligence and stubborn spirit suggest that she will, when she grows up, make a new and better life for herself. Instead, her determination to find her real mother grows into an obsession which consumes and destroys her.

Shadow Baby is a compassionate novel and Forster does not flinch from or condemn the dark emotions of her characters. Even Evie's mother, turning her home into a fortress in a vain attempt to lock out her unhappy past, is drawn with sympathy and understanding. Like Dunmore, Forster is fascinated by women's feelings about children, going way beyond conventional ideas about motherhood to acknowledge the weight of the maternal bond.

Disgust, shame and rivalry emerge as likely responses to pregnancy, jostling with and sometimes ousting the rapturous emotions more

usually associated with the creation of a child. Unlike Dunmore, however, Forster's prose sets every thing out for the reader in a way which leaves little to the imagination. *Talking to the Dead*, which tackles the equally dark theme of rivalry between sisters and its explosive impact on two generations of the same family, is much shorter than Forster's novel, yet leaves a more troubling impression precisely because of the gaps in the narrative.

Dunmore, who won the Orange Prize for *A Spell of Shadow Baby*
by Margaret Forster
Chatto & Windus £15.99, 346 pages

TALKING TO THE DEAD
by Helen Dunmore
Viking £16, 214 pages

Winter, writes intensely about the present moment, whether she is describing the fragility of a new-born baby or a woman's response to her lover's touch. The focus of the novel is the relationship between two sisters, Nina and Isabel, whose almost incestuous closeness is inevitably breached when Isabel gives birth. Nina hovers jealously in her sister's isolated house, countering her sense of loss and exclusion by embarking on an affair with Isabel's husband. Dunmore is a frankly erotic writer and the sexual scenes are all the more disturbing because they are intercut with Nina's memories of a baby brother who died in mysterious circumstances 20 years before.

This is a novel outstanding for its near-perfect control and deceptively blunt prose. Where Forster is solid and dependable, Dunmore takes risks: *Shadow Baby* proceeds at an almost stately pace but *Talking to the Dead* flies off the page, startling the reader with its brilliance.

Joan Smith

The saga ends

At last, we've made it - A.N. Wilson and I, and perhaps a few hundred other addicts, have come to the end of the Lampitt Chronicles. Wilson's five-volume saga, about an undistinguished upper middle class English family in the second half of the 20th century.

The denouement, how Jimbo Lampitt, the *belle lettrée*, met his death from a Marylebone balcony, was unexpectedly expected - it was just what narrator Julian Ramsay had conjec-

lost his faith and, in a rather tedious conceit, replaces the Almighty with Shakespeare as his mentor in this final volume. It is Will's spirit that drives the action. This can be disquieting, but what rescues the novel, and indeed the whole series, is Ramsay's, or Wilson's, often pungent questioning of God, physical love, philosophy, and just about everything. By the end Ramsay, buffeted by madness, sexual inadequacy and literary failure, has chosen a hermit's life.

Wilson is very good on the incoherence of life - on odd pairings, bizarre chances, of a thread which links. New readers might find the mix of embittered musings, and the intrusion of unannounced characters from the past, confusing, but the writing has a facile flow and Wilson's sense of time and place is spot on.

As we stagger down Hinde Street in the early hours with Ramsay, his great lifetime foe, the successful biographer Hunter, and young Kit, the heir to the Lampitt fortunes, those who have stayed faithful for the long ride will regret the passing of these under-achieving late 20th century intellectuals.

A WATCH IN THE NIGHT
by A.N. Wilson
Sinclair-Stevenson £15.99, 218 pages

Antony Thorncroft

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Antony Thorncroft

ARTS

Safe and sound in New York

Finally, a comprehensive arts jamboree has been established in the US, says Andrew Clark

They came. In fact, so many people turned up for the inaugural Lincoln Center festival that it is virtually assured of a permanent place on New York's cultural landscape.

The complete plays of Samuel Beckett, performed by Dublin's Gate Theatre, sold out in advance, and *Waiting for Godot* is tipped for Broadway. A weekend of Japanese court music, juxtaposing ancient ritual with works by contemporary Asian-Americans, wowed audiences and critics alike. A Morton Feldman retrospective, celebrating one of the most obscure and uncatagorizable composers in the US, attracted its own devoted public.

As the festival draws to a close this weekend, the organizers are understandably euphoric. Barely a month ago, no one knew who or how many would come. The doomsayers said New York in early August was too hot for a heavy dose of culture. Provisions attempts to lives up the city's off-season arts agenda had floundered through lack of funds and enthusiasm.

The opening week was slow, with a disappointing turnout for Valley Gergiev's Soviet-era programmes with the Kirov Orchestra and Chorus. But word spread, the festival's marketing moved into top gear and suddenly the

streets and plazas around Lincoln Center began to buzz. So there is a midsummer market for seasonal culture in New York. And the US, previously known for out-of-town opera and orchestra festivals, can finally boast a multidisciplinary arts jamboree.

The festival started with several in-built advantages: the Lincoln Center's well-oiled resources, a \$25m budget, a compact location, its programme reflected the enthusiasms of its artistic director, John Rockwell, a former New York Times music critic with a fascination for cross-pollinating art forms - high and low, new and old, eastern and western. Rockwell said he was aiming for "magnitude, specialness, things that would lift the festival out of the norm of a regular season".

What he delivered was a typical American brew. There were imported acts from the Old World, some 20th century American and a handful of novelties. In marketing terms, there was something for everyone. But in purely artistic terms, the festival

did not stick its neck out: it could not afford to be a Beckett festival, confined to small venues. Virgil Thomson's *Four Saints in Three Acts* was imported from Houston, and the festival passed up the chance to do something special with the New York Philharmonic. It lacked a single, large-scale, defining event.

For Americans, much of the interest lay in what came from Europe. John Eliot Gardiner's *Orchestra Révolutionnaire* set Romanticism by a prime case. This was the first time New Yorkers had been able to hear a period-instrument ensemble in large-scale works like Beethoven's Ninth Symphony and *Missa Solemnis*.

For European visitors, the festival drew its personality from performances of cult works of the 20th century American avant-garde. Within three nights it was possible to catch *Four Saints*, the final Merce Cunningham-John Cage collaboration and a chunk of Feldman's oeuvre. They had plenty in common: each repre-

sents a peculiarly American response to the problems of modern music, and each is full of its own conceits.

Four Saints is the fruit of Thomson's collaboration with Gertrude Stein, when both were part of the American artistic community in Paris in the late 1920s. She provided a libretto of chic meaningless, he set it to music of mind-blowing banality.

The result is more a non-sense stage recitation than an opera. There is no plot (despite what aficionados say), no character development, no drama. Its impact depends on your susceptibility to Stein's verse ("anyone can see that any saint to be", "now third high third there third") and Thomson's harmless *melange* of old southern tunes.

This is a work with a reputation far greater than its slender performance record suggests: the Houston Grand Opera staging, which comes to Edinburgh this month, is the first by a professional company since 1952. It

owes its revival to the American director-designer Robert Wilson, who provides simple, surreal decor, subtle lighting, precise choreography and deft humour. The stage looks beautiful: Wilson's phoney glamour has finally found its medium. The cast, ably guided by Dennis Russell Davies in the pit, deliver their lines with the naive panache the material demands. But what a waste of talent.

The same can hardly be said of Merce Cunningham's *Ocean*. This 90-minute work (to be reviewed shortly in these pages by William Denon) is at least a core of sculptural dance as its *raison d'être*.

But *Ocean* is too long, its musical apparatus numbingly pretentious. Cage, who died before the project could be realised, wanted the audience surrounding the dancers and the musicians surrounding the audience, so that the sound would come from multiple directions. So far, so good - but the score realised by Andrew Culver involves no fewer than 112 musicians. Their random so-

litudes pierced the night air like distant cries from Bedlam, competing with an electronic mix of underwater soundings devised by David Tudor.

Cage's ghost was everywhere, no more so than in the digital clocks strewn around the platform on video monitors. The whole point about art is that it exists outside time. But like Cage's *Europeras*, *Ocean* never lets us forget that 90 minutes consists of 5,400 seconds.

Time, wearisome time, is also an inescapable factor in Feldman's music. The centrepiece of the retrospective was to have been his six-hour String Quartet II, premiered by the Kronos Quartet in a shortened version on Canadian radio in 1983. The last time it was played was in 1988, but Rockwell persuaded the Kronos to revive it. Less than a week before the scheduled performance, the Kronos cancelled, citing the physical strain of having to hold their instruments over such a long uninterrupted span.

But there was enough substance in the remaining pro-

grammes to build a picture of Feldman's aesthetic. Feldman (1926-1987) was influenced by Cage and the New York abstract expressionists, but his music also has a kinship with minimalism. It is spare, slow and quiet, often depending on the repetition of brief musical figures in irregular rhythms. Forget melody, rhetoric, resolution. In their place comes obsessive stillness, like a succession of cool meditative exercises.

The mezzo Joan La Barbara, who sang Feldman's youthful, unaccompanied *Only*, likens his music to "an eternity spent in a vast and beautiful space". For the unconverted, that space is not so welcoming. Listening becomes a feat of endurance - for well over an hour in the case of the *Triadic Memories* (1981) for solo piano, much of it consisting of simple chromatic chords repeated in monotone sequences. The Japanese pianist Aki Takahashi had just the right cut-glass approach and unwavering concentration to pull it off. But by the time that ordeal was over, I was mighty glad the Kronos had deprived me of their marathon.

The festival's only serious lapse of taste was Tod Machover's *Brain Opera*, a futuristic music show shrouded in computer-speak and psycho-babble.



Edinburgh International Festival, 50 Years in photographs (Edinburgh Festival Society, 240)

Antony

This year's Edinburgh International Festival starts tomorrow in a week. It was in the summer of 1947, in a bleak, impoverished, post-war world, that the first festival was held. The opening concert combined Schoenberg's heart felt *A Survivor from Warsaw* with Beethoven's Third Symphony. The same programme opens this, the 50th festival, in the Fisher Hall tomorrow night. Memories of the past, well

In the footsteps of the Greats

Antony Thornecroft recalls some top performances from previous Edinburgh Festivals

This year's festival who remember 1947, and Kathleen Ferrier in Mahler's *Song of the Earth*. Even more will recall the 1957 festival in which Maria Callas appeared in *La sonnambula*. It is sometimes forgotten that the founding father of the festival, Rudolf Bing, was also general manager at Glyndebourne and the

Glyndebourne company, often under the baton of Sir Thomas Beecham, supplied the opera for many years. But then the European companies arrived. Callas appeared with La Piccola Scala of Milan. She was followed in 1958 by Victoria de Los Angeles in *La traviata* and after her came Joan Sutherland, Janet Baker, Tito Gobbi, Teresa

Berganza, the lot. The attraction of Edinburgh is, that while every successive director has his favourite art form, there is room in the burgeoning programme for everything, except perhaps the visual arts. In 1947, the Old Vic Company was presenting Shakespeare with Alec Guinness, but soon foreign companies

were invited over. In 1953, the hot ticket was Richard Burton's Hamlet, with Fay Compton as Gertrude. A very different prince was portrayed in 1958 by Tom Courtenay. In 1958, Peggy Ashcroft was the star of *Aspects of Women*. From *Chamberlain* to *Dylan Thomas* and a year later the young Judi Dench charmed everyone in

Congreve's *The Double Dealer*. In recent years the "international" tag has become more prominent and for the next three weeks Pina Bausch, Mark Morris, Peter Stein, Robert Lepage and Robert Wilson will be doing their stuff alongside the home-grown Bryn Terfel, Miranda Richardson and Christopher Hogwood.

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Edinburgh has become the greatest arts festival in the world and belatedly the city and people of Edinburgh have appreciated and revelled in the fact.

Off the Wall Tickets please for the opera

Right young graduates are accused of being courted now they are being wooed by the opera companies, or rather by the ENO. On Monday the Financial Times announces Discover Opera, a scheme designed to introduce City City graduates in 1994, 1995 and 1996 to opera at the ENO through a 25 per cent discount on tickets, complimentary bottles of champagne, and other perks. The promotion is being paid for by Schroders, or rather by the government, thanks to Schroders. The City Institution is taking its first step in arts sponsorship by putting £100,000 behind the ENO's new production of Verdi's *La traviata*, which opens next month. As a first-time sponsor Schroders attracts a £50,000

back-up grant through the government-funded Fairing Scheme, administered by ABSA. Some of this extra money is going towards discounted tickets for Schroder staff, but the majority is being used to encourage a new generation of opera-goers who might never have experienced the art form. In this pilot scheme, the first 250 respondents to the advertisement on Monday get to join the club. They can then buy as many tickets as they want, subject to availability. Anyone disappointed has been virtually promised discounted tickets for the 1997-98 season, and you do not have to work in the City to participate.

The ENO already operates incentives for schoolchildren and students, but, like other opera houses, is concerned by the falling away of opera-goers in their 20s and 30s. The Schroder initiative should help to stem the loss. Down the road, the Royal Opera House, Covent Garden, has just announced a

betrock shortfall. Much of this was incurred by a steep decline in corporate sponsorship, and some poor audiences last season. But this has proved a very good summer at the box office, with attendances sticking at around 93 per cent.

If things continue as well into the new season of old favourites planned from September, most of this deficit should be cleared by the time Covent Garden closes next July. It has to be the Arts Council, supplier of £7.5m of National Lottery money for the re-building, demands it.

The eventual aim for the rebuilt Covent Garden is to justify its lottery grant by widening its audience through reduced ticket prices. This dream could come true if it can raise more money than it needs from rich friends through the partnership funding appeal, which is required to balance the lottery cash and which will be launched this autumn.

Extra money from its supporters will enable Covent Garden to hold on to more of the commercial properties it is building around its site as the third prong of its funding of the new Opera House. If a third of the development can be retained, valued at £20m, it could provide up to £3m a year in rental income.

And you do not have to work in the City to participate. It has some justification for whatling in the dark. Most of the deficit - £1.7m - consists of non-recurring costs connected with its two-year closure from next summer, including 100 redundancies, and £200,000 spent on the fruitless quest to create a new company home at Tower Bridge. If the theatre is eventually built - and there are still hopes - some of this money will be recouped.

A further expense has been investing in co-productions, such as Rimsky-Korsakov's *Cop d'Or*, which are not expected to appear on stage until the new auditorium opens in 1998. Covent Garden is also sanguine about the £1.5m

Radio / Martin Hoyle

History in the making

Another week, when middle-aged men in bowler hats calling themselves boys confronted rent-a-mob policemen and opportunist looters calling themselves nationalists, began appropriately with *What If...?* (Radio 4) hypothesising a victory for Bonnie Prince Charlie in 1745.

The distinguished historians perhaps underestimated the English - and Scottish - ability to throw the uppity Stuarts out (they had done it twice already), but the concept was a French world ascendancy with France keeping its possessions in North America and India. Economic pressures would have meant much the same disintegration of the Highland clan system as was brutally engineered after the Jacobites' failure, and sheep would probably still have taken over from men in some sort of Scottish-managed clearances.

Radio / Martin Hoyle

History in the making

by what looks like gross incompetence on the part of the British government as its fleets and foudlers clumsily through the beef crisis.

Sometimes Eurocrats earn their dooh. Speaking of which, bankers put up a more dubious defence when *In the Dock*. Presenter Sue Cameron noted that of all the high street banks invited to take part in this inquisition about their methods and responsibilities not one had accepted. One bank spokesman had even expressed his contemptuous indifference to the BBC researcher, incidentally a client of his bank. The money men who turned up were a listlessly evasive crew.

Radio / Martin Hoyle

History in the making

This is the sort of accountability radio does particularly well.

Radio 4's *In the Deep* series, sounding the ocean to varying depths, has been a mixed tangle of treasure, weed and the odd old boot, though no actual sewage. The fallacy that facetiousness can be redeemed with distinguished actors seems endemic in BBC Bristol. Following their twee, jocular series where malign creatures defended themselves with the voices of famous thespians, here comes much the same formula in *Tidal Talk from the Rock Pool* in which previously self-respecting mummies archly impersonate gastropods and molluscs.

writers for radio are still being born. Which cues a word for *Baby Street*. I missed this series the first time round but I am glad to catch up with it. The trials and (rarer) triumphs of three pregnant women of very different backgrounds are scripted by comics Julie Baloo and Jenny Eclair, who narrates as Mother Nature with an ironic Austen-esque detachment.

It sometimes tries too hard, but has the articulateness and perceptiveness associated (in uncharitably sexist days) with women's writing. Unlike most comedy series, it takes care with consistent characterisation; and is splendidly acted.

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ARTS

The haunted faces of a colourful life

Lynn MacRitchie on the dazzling exhibition that follows Picasso's life through his portraits

According to his distinguished biographer John Richardson, everything in Picasso's art boils down to "himself and the people in his life". In their conversations, the artist told him that his work was like a diary, and, as intimates such as Dora Maar observed, the upheavals in Picasso's personal life were always marked by a change of house, a change of pets and a change in painting style.

The Picasso and Portraiture exhibition, which continues at the Museum of Modern Art in New York throughout the summer, allows this progression to be viewed in detail, chronicling through his drawings and paintings of them Picasso's relationships with the people who were most important to him throughout his life.

The exhibition fascinates. As a show of painting it is a treat, combining masterpieces with less familiar works. As a sort of artistic soap opera, it is so less compelling, the shapes, forms and colours of the paintings changing as the dramatic personae of the painter's life alter.

Picasso said: "I cannot make a portrait of just any person, and as a problem of art historical scholarship, the exhibition raises the question of just what a portrait is. Is it a likeness, captured by the artist necessarily in the presence of the living model, whoever that might be? Or, as is the case with most of Picasso's paintings of people, can it exist as a separate creation, drawn not directly from life but from the artist's memory and imagination, its subject as much the nature of painting itself as the representation of any living being."

William Rubin, MoMA's director emeritus, who in 1980 filled the whole museum with the greatest retrospective of Picasso's

work yet, raises this question in his catalogue essay with suitable art historical profligacy. But the show, his personal selection (made in close consultation with Claude Picasso, the artist's son), is so dramatically dazzling, the works arranged in order like the cast list of a play, that the questions of art historical scholarship are easy to lose sight of as the personal drama unfolds before our eyes.

Perhaps most spectacular are the three rooms devoted to Marie-Thérèse Walter, the blonde teenager Picasso met in the street in Paris in 1926 or 1927 who became his secret mistress for almost 10

years, in the course of which his marriage to Olga Khokhlova, the Russian ballet dancer, came to a bitter end. In his paintings of Walter, personal and artistic fulfilment come together to create some of the most erotic canvases painted, such as the three glorious works "The Dream", "The Mirror" and "The Girl Before a Mirror" painted between January and March 1932. Their smooth forms, flowing contours and clear, bright colours are the very essence of gratified desire and painterly satisfaction, when Picasso allowed himself to enjoy a moment of equilibrium in his life and his art - a temporary respite from his constant need to challenge and surpass himself in every suc-

ceeding canvas and from his conflicting personal needs for security and freedom.

This originality and surety of style did not come from nothing. From his earliest years as a painter, Picasso struggled against his own facility, seeking a deeper engagement with the visual image than that which came so easily to him as a draftsman, and which had helped him create his first masterpieces of the Blue and Pink periods.

While the naturalism of these works continues to flow like an endless stream through the drawings of friends and acquaintances he made throughout his life, his paintings changed. From 1906 on, when he painted his then mistress Fernande Olivier not as the elegant beauty she was but as a large, primitive figure massive and sculptural, Picasso had declared his intention to push through to something deeper in his painting, a fundamental fusion of form and content which goes beyond mere facility of line or beauty of colour.

"Woman Plaiting her Hair" (Fernande, 1906), while undoubtedly recognizable as Olivier, is also the first step to the "Les Femmes d'Alger" (not in the exhibition but hanging in an adjacent gallery in the museum) and the invention of cubism.

Throughout his career, Picasso stuck to no one style, changing his way of painting as his subjects changed. The portraits of Khokhlova begin in neoclassical harmony become terrifying fractured images of rage and fury as their relationship deteriorated and he sought sanctuary with Walter. She was finally challenged by the surrealist artist and photographer Dora Maar.

On one day, January 21 1939, Picasso painted two pictures, one of Walter and one of Maar, each shown in the same pose, reclining with a book. In the exhibition, these two "portraits" were painted from life but each summing up the painter's perception of his mistresses' characteristics, are hung side by side. While Walter lies at ease, looking out calmly from an untroubled picture plane, Maar is shown agonised, her colours hectic, her shapen tor-

mented. Picasso later explained to the mistress who succeeded her, Françoise Gilot, that he could not help the tragic nature of his representations of Maar.

"For me she's the weeping woman. For years I've painted her in tortured forms"

Of Gilot, the paintings are some of the most apparently slight, pretty but not particularly searching, and the nature of the exhibition, which does not show any of

Picasso's work in other media, does little to elucidate why this might be. During his relationship with Gilot, Picasso was unusually preoccupied with events outside the studio. He had become quite a media star immediately after the war, and was also at his most active in the Communist party. In art, he was

experimenting with other media, in particular pottery and printmaking of various kinds. For some reason, Gilot seems to slip away from "the trap of his stare", as his old friend and secretary Jaima Sabartes described the artist's piercing gaze.

She slipped away from him, too, departing in 1963 with their two children, Claude and Paloma, whose toddler games he had painted with such delight. He spent the rest of his life with Jacqueline Roque, who became his second wife.

During almost 20 years, Picasso painted Roque many times. One of his later images of her, "Woman on a Pillow" (Jacqueline, 1968), brings the viewer up with a start. A body spreads before us, all angles and planes, swiftly and decisively drawn in shades of grey. There is no evidence of affection or tenderness or anguish written in colour and shape. This is not Roque, the person, but a female form, a creature of mass and tone alone.

In this late work, Picasso has returned to the place where he had his only true existence, the surface of the picture plane. No matter how much Picasso the man may have needed the fundamental companionship of a woman, as any one human needs the companionship of another, for Picasso the artist the bodies of his lovers and friends were, ultimately, no more than the material for his constant battle with the demands of art.

With Roque as putative subject, he spent his final years pitted against Delacroix, Velasquez, Rembrandt working over motifs eventually coming full circle to confront his own work. Roque's features transformed into the mask-like faces of the "Les Femmes d'Alger" of more than 60 years before. After that, there was only himself.

In the terrifying wax crayon self portrait of 1972, his searing gaze finally faces his own mortality, the one battle he could not win with crayon or brush alone. A few months after completing this drawing, he was dead.

Picasso and Portraiture: Representation and Transformation. Museum of Modern Art, 11, West 53 Street, New York, NY 10019. Tel: 212 708 9750. Presented in collaboration with the Musée Picasso, Paris. A smaller version of the exhibition opens at the Grand Palais, Paris, in October.



The essence of gratified desire: 'Marie-Thérèse Leaning on One Elbow' by Picasso

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"For me she's the weeping woman. For years I've painted her in tortured forms, not through sadism and not with pleasure, either, just obeying a vision

that forced itself on me. It was the deep reality, not the superficial one. You see, a painter has limits, not always of the kind one imagines."

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What could be more fantastic, you might ask. The trouble is that King seems to have no interest in appealing to the imagination of his public, unlike Tolkien or Lewis he is not concerned with using his fantasy as a metaphor. King's interests seem to be fear, violence and nastiness generally.

But however technologically advanced the morphing used to turn the actor's face into Satan's (and we are so accustomed to this now that it is less shocking than the transformation of Fredrick March in the 1931 *Dr Jekyll and Mr Hyde*), it has little point when the bad guys are bad merely for the sake of it.

The latter 4 1/2 hours of this war are slow, diffuse and amazingly boring. This sort of thing could quickly give fantasy a bad name.

can-based enterprise arrives on August 20. "It's a group of extraordinary dancers. Though Baryshnikov is the attraction we had to sign a clause not giving him star billing." The group's home is a country estate-cum-artist's colony, the list of choreographers skins the cream of modern dance. Five performances are all London gets, a week snapped up before the Coliseum starts preparing for ENO's season.

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"Perhaps we've been too successful for our own good. Sponsorship came a bit late in my career. It's my weak point - I'm too busy putting things on to worry when the money comes from... Of course it doesn't always have to be to great taste. That would be a great injustice. You have to decide if it will succeed with an audience. But I don't think I've done anything I've loathed."

Television / Christopher Dunkley Fantasy makes its last stand

Fantasy, especially as an element in television fiction, has never been opposed in this column. Indeed, in the last few years there have been several calls for more of it, and criticism of British broadcasters for being less adventurous than their American counterparts in using fantasy themes for popular drama.

From *The Twilight Zone* to *The X-Files* by way of *Beauty and the Beast*, the Americas have seemed more willing than the British to work in this vein. There has been the occasional British exception, of course: *Edge of Darkness* recently repeated on UK Gold, had a remarkably fey theme involving Gaia and the supposed capacity of planet earth to withstand mankind's depredations. But for those of us

brought up on *Puck of Pook's Hill*, the Red and Blue Fairy Books, Tolkien and C.S. Lewis, not to mention Shakespeare's ghosts, witches and fairies, British television has usually seemed timid about supplying us with the fantastic. However, when it does come along in unusual quantities, as is happening now, the aficionado may suddenly find himself back-peddling and complaining about the precise type of fantasy on offer and, even more crucial, the attitude lying behind it. Take, for example, *Out of This World* on BBC1 on Tuesday evenings. This is an

ostensibly rational approach to supposedly paranormal phenomena, all tricked out with "scientific" tests and controls. Yet contrary to the appearance being strained for, it is little more than an attempt by television to climb on to the bandwagon of mass irrationality and wishful thinking, ridden with such success by the popular press with its pages on "Your Stars" and pyramids on the moon. This week's *Out of This World* item on the "telepathy" of pets was typical. We were shown a woman's dogs, kept

in a conservatory, watched by a video camera, while she stayed upstairs. The dogs, we were assured, became excited when their mistress merely thought about taking them for a walk.

My dog had similar "telepathy". There was no need to mention the word "walk" or take down his lead, you only had to change your shoes, pick up a letter for the post, or lock the back door, and he would bark and run to the front door ready for a walk. If this programme had really wanted to test the dogs' supernatural talents they could have put them in a conservatory in Glasgow

and their mistress in a room in London: what price then the dogs' ability to know when she was thinking about walks? The BBC's willingness to capitalise on the death of God by appealing to the widespread desire to believe in this sort of malarky has been deeply dispiriting.

Nor do matters improve when you switch to fiction. This evening BBC1 screens the first of four 90-minute episodes (yes, six hours altogether) of *Stephen King's The Stand*, a peculiar name for King's adaptation of his own book *The Plague*, which is a better title.

Today's episode is tolerable, telling, as it does, the story of a rogue super-flu virus which escapes from a biological warfare laboratory and spreads like... well, like flu, really, through the American population. The army steps at nothing in trying to prevent the mass media telling the true story. Only a few people prove immune and nobody, not even the television viewer, ever discovers why.

Up to the end of Episode 1 we are in the territory of the post-holocaust yarn, a familiar enough form in cinema and television, though most versions have taken nuclear

war as their starting point. The narrative drives along, several odd characters established - the ne'er-do-well rock singer, the deaf mute, the lovesick poet - and lots of money is spent on locations and hardware.

Unfortunately matters then nosedive into silliness. King divides the survivors (who never need to bother their heads about fuel supplies, lipstick, hairdos or anything) into two camps and sets up a Manichean conflict. The good guys dream about an old black woman who will save the world while the bad guys follow Old Nick.

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Cultural evolution between east and west

Martin Hoyle meets an impresario whose name is almost synonymous with Russian performers

The soprano Mary Garden coined the word "impresario" when she ran the Chicago Opera in the roaring Twenties, a florid label that disguised a profligacy with money and a liking for young tenors. "I'm stuck with the normal title - there's no feminine form," says Lillian Hochhauser firmly. "Fortunately, I don't have access to young tenors. Of course, if I did..."

Lillian is the wife of the distinguished promoter Victor Hochhauser. She may not have access to young tenors (though in early collaboration with Lew Grade

in Birmingham she was not unknown to Mario Lanza), but she has allowed us access to countless dancers and musicians. In 1949 she married the young Victor who had presented his first Albert Hall concert four years before, and took to the business of promoting like a balletic swan to its lake.

The Hochhausers' cultural import-export business casts a sidelight on the politico-artistic history of the post-war period: seismic rumblings from Stalinism, Khrushchev's thaw, Sino-Russian tensions, Mao's Cultural Revolution, Brezhnev's re-freeze - all could be sensed in the marketplace, sometimes free, sometimes not so free, of international music and dance.

But the Hochhauser name is almost synonymous with the flood of great Russian artists that opened western eyes and ears during the cold war period. "It began almost on the day Stalin died in 1953," overshadows, as Lillian points out, the death of Prokofiev on the same day. "The full extent of the horrors was not yet known. There was the nov-

elty of the country opening up - the Oistrakhs, Emil Gilels, Rostropovich, Leonid Kogan. Not to overuse the word 'legendary'...

The earliest Hochhauser Russians were the Oistrakhs, father and son, violinists. "They had started sending cultural delegations over. We read by chance that Igor Oistrakh would be in one - we knew the prewar recordings of his father David and thought 'any Oistrakh is better than none'." A concert was arranged, and the great David himself played in Britain regularly for 30 years. "He died on the day that the minister of culture, Mme Furtseva, died - in mysterious circumstances. We've never been sure it wasn't suicide. She was in disgrace - perhaps she had pinched some bricks for her country house."

Inevitably, the Hochhausers learnt to tread diplomatically. The Russians evinced their historical mixture of barbarity and high refinement. "You can't say they nurtured the arts - they were beastly to them. But they flourished. We had to deal with functionaries, a

terrible pain. But we didn't discuss politics, never uttered a word out of place, except with the artists who became very close friends."

If Russia could unexpectedly freeze over, there was a warming sun further east. "We never stopped contact with the Chinese, but all that happened was when you spoke to the embassy, the phone was put down." Nevertheless, the Hochhausers brought the first Chinese acrobats to London. The two-week season at the Coliseum was sold out in a day. The Peking Opera followed.

Exports have proved as vital as imports. Apart from showing China the first western ballet company (then the London Festival Ballet, now English National) since the Cultural Revolution, Lillian is especially proud of her 10 international tours with the BBC Symphony Orchestra as far afield as Japan, China and Australia. She remembers the "thirst" for western music in China, fans camping out all night for tickets, and the terrible sound of the local orchestras - "they had



A great diplomat: Lillian Hochhauser

dreadful instruments, it didn't mean they were not good artists".

Even as a host country Russia could pose problems. Lillian recalls one BBC SO tour with an almost surreally contrasted brace of conductors: Sir John Barbirolli and Pierre Boulez, magisterial romantic and trenchant modernist. "The Russians thought that Boulez was some kind of assistant to Barbirolli. We visited Prague and Poland before Russia and word must have got through that he wasn't just an assistant. My husband

phoned me from Moscow to be prepared for problems. "We have to meet the ministry of culture to discuss the fact they don't want Boulez to conduct."

After a sumptuous breakfast of caviare and vodka the Russians expressed their unhappiness with the programme and repertoire. "William Glock suddenly stood up and said, 'Any more of this and I'm going home.'" Eventually the orchestra's only concession was to substitute early Webern for late. "It was sensational. They had never heard anything like it. When Boulez conducted his *Explosion Fixe* in Moscow he had to repeat it."

The ministry sat in its box, stony-faced, pointedly not applauding. "But very young composers like Denisov took the risk, very dangerous at the time, of getting in touch." It was an emotionally fraught tour altogether. "Jackie [du Pré] had just fallen in love with Daniel [Barenboim] and couldn't wait to leave. They married a few months later in Israel."

The splendeurs et misères

What's on in the principal cities

- ADELAIDE
- AMSTERDAM
- BARCELONA
- BOLOGNA
- BONN
- BOSTON
- BREGENZ
- DU
- BUSSELLS
- CAMBERRA
- CHICAGO
- FRANKFURT
- GENEVA
- HAMBURG
- HELSINKI
- LONDON
- MUNICH
- PARIS
- ROME
- STOCKHOLM
- TORONTO
- VIENNA
- ZURICH

سكيا من الامل

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

ADELAIDE

EXHIBITION
Art Gallery of South Australia
Tel: 81-8-2077000
● Cézanne to Jackson Pollock: this exhibition of the Museum of Modern Art, New York, traces the development of Modernism out of late Impressionism. Artists represented in the exhibition include Cézanne, Bonnard, Gauguin, Picasso, Manet, Matisse, Braque, Renoir and others; to Aug 18

AMSTERDAM

CONCERT
Concertgebouw Tel: 31-20-5790573
● Koninklijk Concertgebouw Orkest: with conductor Riccardo Chailly and pianist Maria João Pires perform works by Prokofiev, Mozart and Stravinsky; 8.15pm; Aug 14

BARCELONA

EXHIBITION
Fundació Joan Miró Tel: 34-3-3291908
● European Architecture 1984-1994: exhibition comprising the winning projects for the European Architecture Awards together with a selection of finalists. In addition, the exhibition includes a selection of candidates from the first four editions and, like the Award itself, has been designed to offer a representative sample of the best architecture produced in Europe during the last decade and to reveal some of the creative processes involved. The material on display consists of models, sketches, plans, presentational and working drawings; to Sep 8

BOLOGNA

EXHIBITION
Galleria d'Arte Moderna Tel: 39-51-502859
● Sean Scully: solo exhibition featuring approximately 30 paintings executed during the last fifteen years and a selection of pieces from the early nineties documenting the intact vitality of Sean Scully's work; to Sep 1

BONN

EXHIBITION
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
● Wisdom and Compassion. The Sacred Art of Tibet: this exhibition focuses on the traditional themes of the art of Tibetan Buddhism and presents the important stylistic developments from the 9th to the 18th century. On display are 190 objects of sacred art, mainly scroll-paintings (tangkas) and ornate metal sculptures, but also application work and tapestries as well as wooden, ivory and stone sculptures with a strong religious expression; to Aug 25

BOSTON

EXHIBITION
Museum of Fine Arts Tel: 1-617-267-9300
● Yousuf Karsh: exhibition featuring approximately 120 photographs by Yousuf Karsh who has portrayed many legendary figures of the twentieth century, including G.B. Shaw, Churchill, Kennedy, Einstein, O'Keefe, Hepburn, Rostropovich, Hemingway and Auden; to Oct 20

BREGENZ

CONCERT
Bregenzer Festspiele - Festspiel und Kongresshaus Tel: 43-5574-4920
● Wiener Symphoniker: with conductor Wolfgang Sawallisch and mezzo-soprano Mirjana Lipovsek perform works by Berlioz and Schubert. Part of the Bregenzer Festspiele; 7.30pm; Aug 12

BRUSSELS

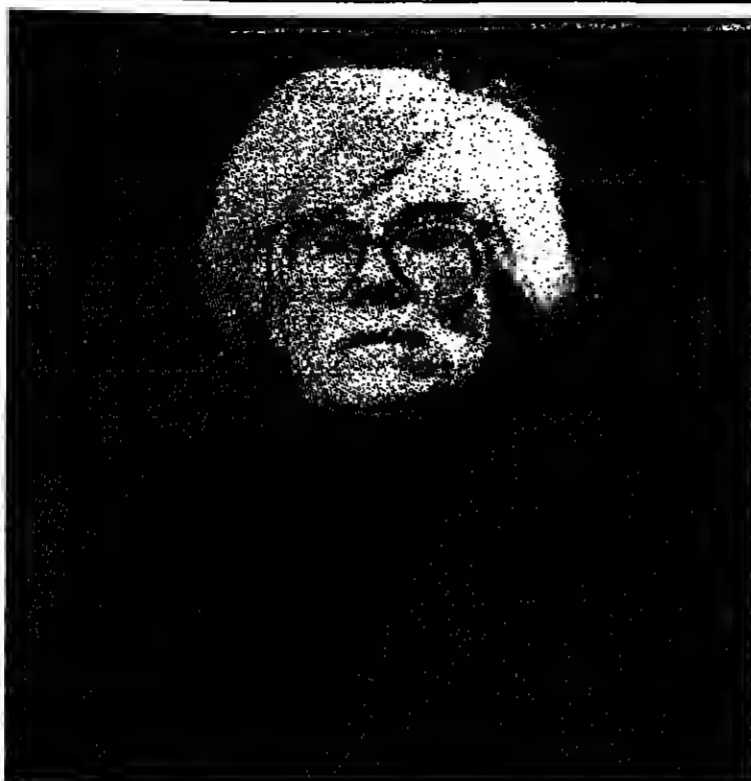
EXHIBITION
Musées Royaux d'Art et d'Histoire Tel: 32-2-7417211
● Magisch Goud - Schatzen van de Etrusken en de Romeinen: exhibition featuring more than 200 gold and silver objects, spanning 2,000 years of Italian culture. The objects on display range from Etruscan jewellery from the 8th century B.C. to 13th century coins; to Sep 6

CANBERRA

EXHIBITION
National Gallery of Australia Tel: 61-6-240-8411
● William Morris and Friends: exhibition celebrating the work of the designer and writer William Morris, who died 100 years ago. Other artists in the show include Sir Edward Burne-Jones, Walter Crane, William De Morgan and Aubrey Beardsley. The exhibition features illustrated books and drawings for the Kelmscott Press, photographs, prints, wallpaper, textiles, ceramics, metalwork and glass; to Dec 1

CAPE TOWN

THEATRE
Nico Theatre Tel: 27-21-215470



Andy Warhol: rarely seen portraits on show in Pittsburgh

● Macbeth: by Shakespeare. Directed by Marthinus Basson. The cast includes André Roothman, Terry Norton, Keith Grenville, Kurt Wüstmann and Duncan Lawson; Mon-Thu 7pm, Fri, Sat 8.15pm; from Aug 12 to Aug 17

CHICAGO

EXHIBITION
Art Institute of Chicago Tel: 1-312-4433800
● D.H. Burnham and Mid-American Classicism: celebrating the 150th anniversary of Daniel H. Burnham's birth and his contributions in shaping Chicago's downtown district, the Art Institute presents this exhibition of approximately 100 drawings from the museum's permanent collections. Architect D.H. Burnham (1846-1912) was involved in the design of early Chicago skyscrapers such as the Rookery and several significant buildings in Chicago ranging from Marshall Field's and Orchestra Hall to the Railway Exchange and the People's Gas Buildings. He also created master plans for the cities of Cleveland and San Francisco and was the mastermind of Chicago's grand Michigan Avenue, the Michigan Avenue Bridge, and Grant Park; to Sep 2

DRESDEN

EXHIBITION
Albertinum Tel: 49-351-4953056
● Von El Greco bis Mondrian: exhibition featuring approximately 80 paintings from the collection of Rolf and Margit Weinberg. This Swiss private collection focuses mainly on 19th and 20th century works, but also holds some important works from the 16th through the 18th century. Artists featured in the exhibition include El Greco, Cézanne, Courbet, Degas, Toulouse-Lautrec, Beckmann, Picasso, Léger, Schlemmer, Mondrian, Van Doesburg and Lisitzky; to Sep 15

DUBLIN

EXHIBITION
Irish Museum of Modern Art Tel: 353-1-8718666
● Sean Scully: Twenty Years: this exhibition includes approximately 30 paintings and 32 watercolours covering the two decades during which Scully moved from England to the US, obtained American citizenship and established himself as a pivotal figure in post-war abstract painting. Several of the works are drawn from the artist's own collection; to Aug 25

DUSSELDORF

EXHIBITION
Kunstmuseum im Ehrenhof Tel: 49-211-8992460
● Otto Piene - Retrospektive: retrospective exhibition devoted to the work of the German artist Otto Piene (b. 1928). The display gives an overview of the diverse aspects of his work, in which the themes of light and fire play an important role. The show includes paintings, drawings, sculptures and installations - large sculptures filled with helium; to Aug 11

FRANKFURT

EXHIBITION
Deutsches Architekturmuseum Tel: 49-69-2128471
● Erich Buchholz (1891-1972). Architekturstudien, Innenraumgestaltung und Typographie eines Universalkünstlers der frühen zwanziger Jahre: exhibition of a collection of 70 drawings, created between 1922 and 1928 by the German artist and architect Erich Buchholz; to Sep 8

GENEVA

EXHIBITION
Petit Palais Musée d'Art Moderne Tel: 41-22-3461433
● Les Neo-Impressionnistes: exhibition of 70 works from the Neo-Impressionist collection of the Petit Palais. The display includes works by artists such as Albert Dubois-Pillet, Maximilien Luce, Charles Angrand, Van Rysselberghe, Van de Velde, A.J. Heymans, Henri Martin, Pietro Mengoni and Signac; to Sep 30

GHENT

EXHIBITION

Museum voor Sierkunst en Vormgeving Tel: 32-9-2256678
● Jan Eisenloeffel. Art Nouveau-gebruiksgoed in zilver, email en goud; retrospective exhibition devoted to the work of the Dutch decorative artist, gold and silver smith Jan Eisenloeffel. The display features some 200 objects, including coffee and tea-sets, dishes, jewellery, clocks, lamps and cutlery; to Sep 15

GLASGOW

EXHIBITION
Hunterian Art Gallery Tel: 44-141-3305431
● James McNeill Whistler: exhibition surveying Whistler's graphic work, from his childhood in Russia to his last years in England. Drawn entirely from the University of Glasgow's collection, the show includes portraits, nudes, streetscapes, marines and river views. Among the works on display are etchings from his French, Thames, Venice and Amsterdam sets; from Aug 17 to Oct 28

INNSBRUCK

FESTIVAL
Festwochen der Alten Musik Tel: 43-512-517032
● Festwochen der alten Musik: this festival, coinciding with the 1,000th anniversary of Austria, starts off with a Renaissance celebration in and around the Hebsburger Ambras Castle. One of the highlights is the opera Argia by Pietro Antonio Cesti, composed in 1665 for Queen Christina of Sweden on the occasion of her visit to Innsbruck. Soloists include René Jacobs and Bernarda Fink from Aug 17 to Aug 31

LEWES

OPERA
Glyndebourne Opera Festival Tel: 44-1273-812321
● Arabella: by R. Strauss. Conducted by Dietrich Bernet and performed by The London Philharmonic. Soloists include Adrienne Pieczonka, Inger Dam-Jensen and Wolfgang Brendel. Part of the Glyndebourne Opera Festival; 4.15pm; Aug 11, 14 (5.15pm), 18, 24 (5.15pm)

LONDON

CONCERT
The Andy Warhol Museum Tel: 44-171-9300089
● The Belmont Ensemble of London: with conductor Peter Gilbert-Dyson perform works by Mozart, Handel, Vivaldi and J.S. Bach; 7.30pm; Aug 18

LOS ANGELES

EXHIBITION
MOCA at California Plaza Tel: 1-213-626-8222
● Kenholz: A Retrospective: this exhibition presents the full range of Kenholz's own work and his 20 years of collaboration with his wife and partner, Nancy Reddin Kenholz. More than 100 pieces are displayed; to Nov 3

LUCERNE

FESTIVAL
Internationale Musikfestwochen Tel: 41-41-2103562
● Internationale Musikfestwochen Luzern: this year's festival theme is 'The Healing Power of Music'. Music is playing an increasingly important role in people's lives, especially with regard to emerging economic, ecological and social problems; from Aug 17 to Sep 11

MADRID

EXHIBITION
Museo Nacional Centro de Arte

Reina Sofia Tel: 34-1-4675062
● BUNUELI La mirada del siglo: this exhibition, centred around Luis Buñuel's film 'La edad de oro', focuses on work by people who inspired Buñuel or were themselves inspired by his work. The display features 500 works, including paintings, drawings, sculpture, books and photographs. Artists represented include Dalí, Miró, Magritte, Giacometti, Picador, Ernst, Tarnalio, Man Ray, Alvarez Bravo and Garcia Lorca. Also on display is a selection of 50 photographs of Buñuel working on a film shoot, made by Gabriel Figueroa; to Oct 14

MELBOURNE

EXHIBITION
National Gallery of Victoria Tel: 61-3-92080222
● J.M.W. Turner: exhibition of approximately 60 paintings and watercolours by the English landscape painter Joseph Mallord William Turner (1775-1851). The exhibits come from European and American museums and private collections, including the collections of the Tate Gallery and the National Gallery in London; to Sep 10

MOSCOW

EXHIBITION
State Pushkin Museum Tel: 7-095-2036974
● The Treasure of Troy: exhibition of some 250 gold and silver objects, excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873. It was Schliemann's belief that these objects, including diadems, rings, necklaces and goblets, once belonged to the Trojan king Priamos, but later research has proved this to be untrue. The finds were brought from Berlin to Russia by the Red Army at the end of the second world war; to Apr 1997

NEW YORK

CONCERT
Avery Fisher Hall Tel: 1-212-875-5030
● Mostly Mozart Festival Orchestra: with conductor Gerard Schwarz, flutist James Galway, harpist Naoko Yoshino and horn-player John Cerninero perform works by J.S. Bach and Mozart. Part of the Mostly Mozart Festival; 8pm; Aug 14

PARIS

EXHIBITION
Musée du Louvre Tel: 33-1 40 20 50 50
● François 1er par Clouet: exhibition focusing on two portraits of François I in the collection of the Louvre. The display tries to answer the question who painted these portraits: Jean Clouet, his son François or his brother Paul. Included in the exhibition are sketches by Jean Clouet and works by contemporaries of the Clouet family; to Aug 26

PITTSBURGH

EXHIBITION
The Andy Warhol Museum Tel: 1-412-237-8300
● Portraits of the Artists: Andy Warhol and His Contemporaries at Leo Castelli Gallery: this exhibition focuses on Warhol's rarely-seen 1967 portraits of 10 artists, including himself, who virtually defined the art of the time while exhibiting their work in New York's Leo Castelli Gallery during the 1960s. The exhibition is accompanied by source photographs and other archival material; to Sep 1

ROME

EXHIBITION
Palazzo delle Esposizioni Tel: 39-6-4742216
● L'Ulisse, il mito e la memoria: exhibition focusing on the depiction and transformation of the mythological story of Odysseus in art. The display features more than 200 objects, including sculptures, vases, jewellery and paintings, spanning the period between the 8th century BC and the 6th century AD; to Sep 2

SAN FRANCISCO

EXHIBITION
California Plaza of the Legion of Honor Tel: 1-415-863-3330
● Pergamon: The Telephos Friezes from the Great Altar: exhibition of rare and renowned works of Hellenistic sculpture from the second century BC. Twelve newly restored relief sculptures from the Telephos frieze that once decorated the interior court of the Great Altar of Pergamon are on display, along with 30 other works that help explain the original purpose and placement of the Telephos frieze. Included are statues, fragmentary sculpture and architecture of the Great Altar, a portrait head of an Attalid king, and a series of portraits on coins. The works come from the collection of the Pergamon

SYDNEY

OPERA
Drama Theatre, Opera Theatre, Playhouse Tel: 81-2-250-7127
● Lucia di Lammermoor: by Donizetti. Conducted by Roderick Brydon and performed by the Australian Opera. Soloists include Gillian Sullivan, Gregory Tomlinson and Jeffrey Black; 7.30pm; Aug 15

TOKYO

CONCERT
Kusatsu Concert Hall Tel: 81-3-34985190
● Gürner Symphony Orchestra: with conductor K. Ishii and oboist T. Indemiths perform Wagner's overture to Rienzi, R. Strauss' Oboe Concerto in D major and Brahms' Symphony No.2 in D major, Op.73. Opening concert of the Kusatsu International Summer Music Academy & Festival; 4pm; Aug 17

VERONA

OPERA
Arena di Verona Tel: 39-45-590109/966726
● Nabucco: by Verdi. Conducted by Maurizio Arena and performed by the Orchestra a Coro dell'Arena di Verona. Soloists include Renato Bruson (Aug 11, 13), Leo Nucci (Aug 16, 21), Nunzio Todisco (Aug 11, 13, 16), Giorgio Merighi (Aug 21), Paola Burchuladze (Aug 11), Carlo Colombara (Aug 13, 16, 21), Maria Guleghina (Aug 11) and Paola Romano (Aug 13, 16, 21); 9pm; Aug 11, 13, 16, 21

Museum in Berlin; to Sep 8

THE HAGUE

EXHIBITION
Haags Gemeentemuseum Tel: 31-70-3381111
● Van Monet tot Matisse, Franse Meesters uit het Poesjkin Museum in Moskou: this exhibition features approximately 60 French paintings from the collection of the Pushkin Museum in Moscow. The works on display span the period between 1870 and 1912, ranging from Impressionism and Post-Impressionism to Fauvism and early Cubism. Artists represented include Monet, Cézanne, Gauguin, Picasso and Matisse; to Oct 13

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WASHINGTON

EXHIBITION
National Gallery of Art Tel: 1-202-7374215
● Jan Steen: Painter and Storyteller: this exhibition of approximately forty-five paintings by Jan Steen examines the range of subjects and styles in this Dutch artist's body of work. There has been no major exhibition of Steen's work since the retrospective at the Mauritshuis in The Hague in 1959; to Aug 18
● Scenes of Daily Life: Genre Prints from the Housebook Master to Rembrandt van Rijn: this exhibition presents 38 prints, six illustrated books and one copper plate depicting scenes of everyday life in Germany and the Netherlands from the late 15th to the late 17th century. These images were the predecessors of the genre prints that became so popular in the Netherlands in the seventeenth century. The selection includes illustrated books and prints in various techniques. Among the artists represented are Israel van Meckenom, the Master of the Housebook, Lucas van Leyden, Albrecht Dürer, Hendrick Goltzius, Rembrandt van Rijn and Adriaen van Ostade; to Aug 18

WORCESTER

FESTIVAL
Three Choirs Festival Tel: 44-1905-816211
● Worcester Three Choirs Festival: this festival, originally an annual meeting of the three choirs of Gloucester, Hereford and Worcester, held by rotation in these cities, ranks amongst the oldest in the world. The first edition was probably held as early as 1715, aiming to alleviate the poverty of widows and orphans of the clergy in the three dioceses. This year, the festival is held in Worcester. The festival begins with the usual Dedication Service, followed by the opening concert with Beethoven's Fifth Symphony and the recently rediscovered Messe Solemnelle by Berlioz. The music of Edward Elgar is well-featured this edition with The Dream of Gerontius, the First Symphony, the Quintet, and his first oratorio, The Life of Light, marking the 100th anniversary of its first performance; from Aug 17 to Aug 24

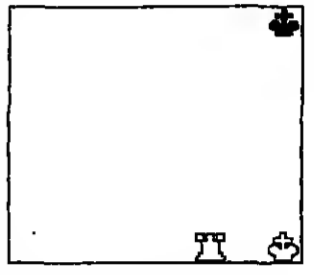
YOKOHAMA

EXHIBITION
Musée de la Ville de Yokohama Tel: 81-45-222-1111
● The World of the Edo Period: exhibition of approximately 100 objects from the Edo period (1603-1868). The display includes a selection of traditional Japanese crafts, including lacquerware, ceramics, metalwork and textiles; to Sep 10

CHESS

Four of the world top 10 competed at Novgorod last week in a strange tournament in which almost all the first-half games were drawn, but most in the second half finished decisively. At the end, the 22-year-old Bulgarian Topalov scored another success, Nigel Short continued his return to form, while Judit Polgar held her own against the male elite: Topalov 6, Ivanchuk 5.5, Short 5, Gelfand, Kramnik and Polgar 4.5.

Topalov's quiet build-up in this week's game deceived Kramnik into leisurely defence. By the time he realised the danger, White's space control had blossomed into a mating attack (V Topalov v V Kramnik, Sicilian Defence). 1 e4 e5 2 Nf3 Ne6 3 d4 exd4 4 Nxd4 Nf6 5 Nc3 d6 6 Be2 Qb6 7 Nxe6 7 Nb3 is usual. bxc6 8 0-0 e6 9 Qe2 Nd7 More direct is Be7. 0-0 and an early d5 to contest the centre. 10 b5 Be7 11 Bb2 0-0 12 Nc4 Qe7 13 f4 Eb7? d5 is still best, since the tactic 14 exd5 cxd5 15 Bxd5? fails to Bc5. 14 Rd1 Ra8 15 Rd3 Qx to K-side in front of the pawns can often panic a hesitant defender. c5 16 Bb5 Bc6 17 Bxc6



many moves it takes with best play on both sides. Solution, Page 11

Leonard Barden

BRIDGE

Rubber bridge players enjoy complaining about their poor cards. But deprived of such a course, this declarer took up a new refrain - his cards were too good!

W E
K J 10 9 6 A Q 2
K J 2 10 7 3
6 5 3 J 8
9 A J 6 7 6 5 2
S
A 5 2
A Q 6 4
A K Q 10
A K

South opened a game-forcing 2C and, over the negative 2D response from North, rebid 3NT, showing a balanced hand of 25 or 26pts. This ended the auction. East overtook West's JA lead with his QA, and the declarer ducked. He ducked again when East returned 2A. Finally winning with AA, the frustrated declarer

cashed the next seven tricks, and gave up when K♥ did not fall under A♥. Then the complaining began: no entry to dummy; too many high cards; unlucky lead, etc, etc.

South should have done better. As he has no entry to dummy to cash Q♠ or take a heart finesse, he should anticipate that he will have to make the opposition lead hearts or clubs to him. So, he wins the second round of spades, retaining an exit card - the means by which he can put West back on lead later.

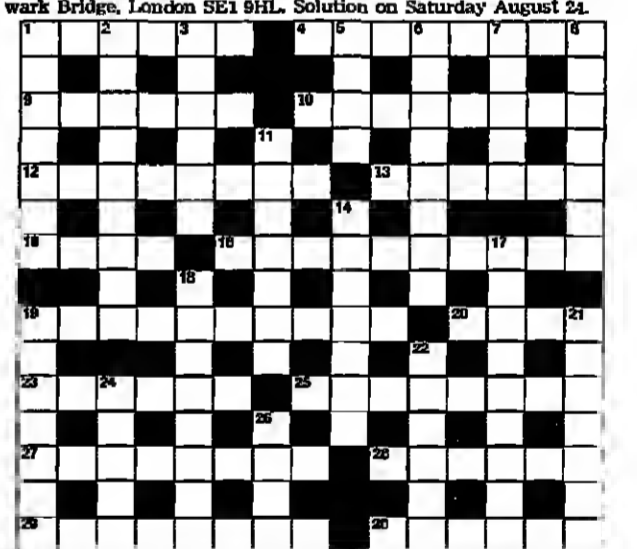
He then cashes his four diamond winners, and his ♠AK to stop West getting off lead safely. Now, he leads his final spade and West has to win. He can cash his three spade tricks, but is then faced with the unappetising choice between leading a club to dummy's Q♥ or a heart aimed to declarer's ♠AQ. Either way, he has given South his ninth trick.

Paul Mendelson

CROSSWORD

No. 9,143 Set by DANTE

A prize of a classic Pelikan Solverbit 600 fountain pen for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday August 21, marked Crossword 8,143 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday August 24.



Name: _____
Address: _____

ACROSS
1 Way change of date may be expressed (6)
4 Old port in Labrador, perhaps (8)
9 He's after American business contract, makes little progress (8)
10 Trouble for the UN to resolve (8)
12 Inclination to fade away, in general (8)
18 Goes round for garments (6)
15 Three-speed gears give one the advantage (4)
16 Heraldic battle-dress (4,2,4)
19 African oil refined in America (10)
20 The force of influence? (4)
23 Phoney journalist made fun of (6)
25 Bearings led Harry astray (15)
27 Twice concluded that it is exaggerated (8)
28 Approaching resort of St. Malo (6)
29 The brewed ale there is heavenly (8)
30 Snooker on the green? (6)

DOWN
1 Short cut from the beach (7)
2 Hear clang - it might be Michael (9)
3 Useful preparation for a good upbringing (6)
5 One covering end of chin in spots (4)
6 Stop or start playing billiards (5,3)
7 Great losses fine performer (15)
8 Puts on something saucy (7)
11 A country road run crookedly (7)
14 They may indicate corporal punishment (7)
17 Plump crawler, a parasite (18)
18 The culprit's proposal about the outcome (8)
19 Settle score (7)
21 Complete outfit for a small charge (7)
22 The favourite's all in - made to carry a big weight (6)
24 Soundedly examine a European language (5)
26 Trendy accountant who lived in S. America (4)

Solution 9,142
TICKETACK ABIGES
U B A R G A A C
S P A N N E R S C R A P E T
C R B R D G D I
A U G U S T I N E S M E E R
E A D D E T U D I C
N E L A S E B A I S H E
S D N H A T
S H E I G H T L O A R
U L E Y V E I P
T R A M P A R R I M E R
E M E R K A C I
R O A D I E P I E R R O T E
I U S S E S I
G Z E R B S U L I N E B
E I C H A M L H E A R T I

Solution 9,131
P A C K E T B I B B E R T S
U B A R G A A C
S P A N N E R S C R A P E T
T U R N E R P A I N T E R
C O S T U M E D I V E R
E A D D E T U D I C
R O A D I E P I E R R O T E
I U S S E S I
E I C H A M L H E A R T I

WINNERS 9,131: F. Rubson, Scarborough, Yorkshire; D.J. Dolman, Weybridge, Surrey; R. Healey, Goring, Berkshire; Dr M. Rowbottom, Harrogate, Yorks; E. Telesford, Brighton, E. Sussex; M.T. Wells, Greenwich, Connecticut, USA.



James Morgan

Some things are beyond translation

Talking to foreigners means more than just learning lots of foreign words

A timely little publication has emerged from Germany: *Euroflirt*. It deals with the art of cross-border chat-up to help a German develop a relationship with somebody else, presumably, but not necessarily, of the opposite sex in English, Spanish, French and Italian.

The ladies who wrote it devote more space to English than the other languages. Without breaching the rules of good taste, they make it clear that in England almost anywhere can provide a suitable venue for a flirt, or a pick-up. "I like what you've got in your shopping trolley," is a recommended opening line in Britain, but does not appear in a

French version of supermarket ploys: "Isn't that too much for one person?" is the most intimate Gallic observation permitted. In Italy and Spain such establishments do not feature as suitable venues.

Spain seems to be the last redoubt of traditional values. Chatting up takes place on the steps of churches; young people spend their evenings on the *pasos* of the cities and the *chica alemana* (German chick) is warned that in no circumstances should she initiate a conversation. In Italy she can, and is expected to talk about football. Yet this subject is said to be taboo in England as a pick-up line.

Euroflirt expertly highlights cultural differences. Less helpful authors would merely have given translations in four languages for given German phrases. Instead, most are finely tailored to national needs. A nice line in a French café is "Does your table wobble too?" Meanwhile, "Let's skip the second act and nip into the bar opposite," is something you might try at La Scala but not the Staatsoper.

It is a pity that such a useful work should be limited to matters of friendship and the heart. The *flirt* says: "You know the situation: On the beach, in the bistro, on the 'plane or business trip you meet strangers with whom you would like to talk and

get to know better. What do you say in their language to show your interest and start a conversation?"

It is an area many people find difficult, the British more so than most. As soon as they say something it is discredited in the minds of the peoples of neighbouring countries. And when a representative of the UK tells his fellow ministers that they are "talking a lot of cock" and that the only path to follow is the one blazed by himself, his advice may well be ignored.

The British approach might work in Britain but is not productive in attempting to woo an innocent young continental lady or a guilty old continental man.

"I've got a load of dud animal feed which is banned at home, but you could have it for 10 grand off and re-label it," is a useful phrase. It is likely to gain greater credence than a bland insistence on the perfection of the product.

In *Euroflirt* the authors have useful lines for breaking off relationships. "It was interesting, but I think it would be better if we didn't see each other again" can easily be translated to less appetising matters: "I do enjoy talking about monetary union but I don't think we need take things too far" would be an agreeable expression of the British government's present view.

The authors have also contri-

buted a useful concept which has been largely overlooked by those who mastermind Britain's relations with its neighbours - "country-specific rules of the game". British ministers are at a disadvantage because they are unable to mouth phrases such as "our willing participation in the project of European construction" for foreign consumption. Similarly a nationalist promise not to abolish the pound sounds absurd to those who are used to running respectable currencies.

Euroflirt reminds us that talking to foreigners means more than learning lots of foreign words.

James Morgan is BBC World Service economics correspondent.

Truth of the Matter High risk? It's news to me

It is the same old story at every dinner party. Invariably someone comes up and says their child wants to become a journalist. What should they do? Who should they approach? What are the chances? The other evening it was a retired lawyer from Slaughter & May. He sighed. His daughter had just graduated from Oxford and had set her sights on Fleet Street.

"Now you work with the press so what do you think?" I could only hum: "Please Mr Lawyer, please Mr Lawyer, don't put your daughter on the front page."

Later that night I read the day's mail. There was a letter from the Automobile Association about the renewal of my car insurance.

It began: "I can confirm receipt of your completed proposal form and note from this, that your occupation is a journalist. Unfortunately, with the Royal Insurance Company this occupation is unacceptable."

It has taken them a long time but the grey faced actuaries of the Royal have finally discovered the truth: journalists are a drunken, unreliable, unruly lot.

Many life-long subscribers to the national broadsheets would agree. They would probably add

'The typical reporter is expected by actuaries to wind up the day in the pub'

telling lies to the general catalogue of sins.

In popular esteem journalists rate slightly above politicians, bond traders and loss adjusters. But I can tell you that the gentlemen of the Royal (and I assume that they are men) are out of date. Fleet Street died a decade ago. The newspapers have moved out and the lawyers, the management consultants and the public relations people have moved in. They now tittle where journalists once boozed.

Meanwhile, technology has destroyed the old vibrant lifestyle of the average hack. The days of waiting in the pub for a call from the newsdesk are long gone.

Walk into any newsroom these days and you will find rows and rows of men and women in suits heaving away in front of terminals with head-phones clapped to their ears.

They look like nothing more than a bunch of clerks processing motor insurance policies. They have sandwiches for lunch at their desks, and drink coffee out of a vending machine or Perrier during the rare business lunch.

Most have good degrees from reputable universities. Their conversations are about pensions, promotion, school fees, and weekend cottages. They are a very middle-class lot and should be commending to use the jargon, a very favourable insurance risk classification.

But journalism is still considered an affliction worse than epilepsy. A colleague suffered two fits and when he applied for motor insurance he was told he had to pay a 20 per cent excess over the normal premium. Not, they said, because he was an epileptic but because he worked for a newspaper and a most reputable link one at that.

"No, no," said the man from the Royal when I telephoned later for an explanation. "You are perfectly acceptable." There had been a muddle when the AA "telebrokered" my application.

Journalists were OK. All the company wanted to know was whether they used their car for work or not. But he had not forgotten going to Fleet Street 20 years ago to meet some journalists for lunch. "I could not believe it. It turned out to be a drunken binge from 12 to 4."

After a little prompting, he admitted journalists had changed. Yet when I called the AA, it confirmed that there was still a high degree of prejudice against the profession.

Premiums tended to be loaded because "the typical reporter is expected by actuaries to be pushy in pursuit of a scoop, work long, unsociable hours, and, according to the stereotype, wind up the day in the pub."

When I am next approached by a concerned parent I can tell them, with the full authority of the AA, that the "cleanest" professions include clerks, bank managers and teachers; that journalism is still tainted but not as much as modelling or acting; and that it has become nearly as sober a profession as a clerk's or a bank manager's.

There is one tiny problem. To get to the office you may have to walk or take the bus.

Paul Betts

Out of the corner of my eye I saw, as I trudged up a hill, a figure standing motionless in a wooded garden above the road. The headdress, fixed and alert, had a pagan aura about it - was it Socrates or Silemus?

I knew without knowing that the apparition was John Fowles, mysteriously materialising like a character out of his own fiction. And because he seemed to have stationed himself so as to catch a preliminary glimpse of the intruder, I pretended not to have noticed.

As I approached the house, its facade decorated with masks in Coade stone (Eleanor Coade, 18th century entrepreneur, lived here), the statue emerged amicably from the shrubbery and led me through to the garden.

A seagull yowled from the villa's roof and the sea shone between the trees. The town of Lyme Regis lay invisible below us; so too did the crescent mole called the Cogh where Fowles famously placed the fey heroine of his novel *The French Lieutenant's Woman*.

That book, and the film which followed, turned the Dorset resort into a place of literary pilgrimage in a way even Jane Austen's *Persuasion* could not do.

Remembering the author's outburst about the "grockles" who descended on Lyme each summer, I had asked Fowles if he would talk about the pleasures and pitfalls of literary celebrity.

He quickly agreed that he was partly to blame for the annual migration of the grockles. "It embarrasses me, because when they irritate me I think it's all my own stupid fault. I think of poor old Hardy. He must be spinning in his grave by now."

But the novelist was more interested in pointing out the etymology of "grockle" - a Devon-Cornwall dialect word, he said, which he rolled it round his mouth, and with a usefully double-edged feel to it.

It was clear that Fowles was in a ruminative rather than rhetorical mood. I wondered whether this was the effect of age (he has turned 70), of the mild stroke he suffered some years ago, or just the mellowing influence of a summer day.

The writer has two passions: natural history, and language, both of which find expression in his lifelong affair with Greece and his penchant for etymology.

He chases words like a butterfly collector and displays them with pride - exotic specimens such as "loxodromic", "apophthegmatic" and others which are to be found in the classical Greek lexicon, if at all, in his taxonomy, anything goes. He makes up botanical names for fun, but perhaps also to advertise another of his doctrines - that modern science is guilty of persuading us that naming and knowing are the same thing.

Politically, Fowles calls himself a socialist. I asked him, apropos grockles, if he was the kind of socialist who found the proletariat a bit hard to take.

"Yes. An Oxbridge socialist. I'm afraid, yes. Not in the sense of joining the Labour party, though I will vote for Blair. I believe you must stay free. But I could never be a Tory."

A sort of Orwellian socialist?

"I suppose so, yes. 'Orwellian' would be a good adjective."

Although from what he calls "a



Pagan aura: John Fowles affects indifference to public acclaim - literary success was what mattered

Private View

A writer for the here and now

Christian Tyler asks John Fowles about his passions, pessimism and his misunderstood novels

fairly standard middle-class background" he does not like the bourgeoisie either. "I find still you just can't get rid of Marx, you know. I understand everything that's happened in eastern Europe, but he's still for me a very powerful man. I think his interpretation of the bourgeois has deeply affected me all my life."

He added that he had just turned down a family wedding invitation. "I just can't go and listen to all that bourgeois rubbish."

What bourgeois rubbish?

"Ordinary middle-class people who will have been to private school, who will have been to Oxford or Cambridge..." he said vaguely.

But Fowles knows what he is talking about. He went to Bedford public school, where he was head boy, and joined the Royal Marines. There they told him he would have failed his commission but for the fact that his headmaster knew the commandant-general.

Taking up the offer of a place at Oxford University, he fell under the influence of Sartre and Camus and became an existentialist. "I really did wilfully change what I was," he said. The seal was set on that change by teaching English at a boarding school on the Greek island of Spetsai, where he first met his wife Elizabeth and conceived his

novel *The Magus*.

Few "serious" writers have enjoyed such success as Fowles, yet he affects indifference to public acclaim. Literary success was what mattered.

A few days before I met him Fowles had been the star of an academic seminar in Lyme on his work. He could not deny that the attention was gratifying. His objection to popularity appears to be that too many readers get him wrong.

He complained that *The Collector*, his first success, the story of a lower-class lepidopterist who imprisons an upper-class girl, was meant as a serious statement about a depressing aspect of English society. His *Maïssa*, a gently erotic fantasy in which an author tussles with the muse Erato, was meant to be a post-modern joke at the expense of trendy lit. crit.

As for *The French Lieutenant's Woman*, it had been called a pastiche of the Victorian novel but was really "a friendly, almost fraternal address, like going to an older brother and saying what he was doing was not all rubbish."

Fowles can sound pessimistic: the world had been "choking on ignorance", in this century, he said. "The world is a stupid place. God knows. I think culturally perhaps getting stupider."

It was vital therefore that writers should preach, however unpopular a notion that might be

In Britain. By this he means preaching not God or Christianity - he is a humanist - but the importance of Nature. "I'm also a feminist of a sort," he added.

In *Who's Who* his recreations are listed, ambiguously, as "mainly Sahine". The Sahine women were raped, the men were frugal and superstitious. You mean you sympathise with women? "I hope so. It's one of those no-go subjects for men. I

'There's no one more stupid than a 60 or 70-year-old falling for a 20-year-old'

genuinely loved many women. But whether all women would agree I did love them, I don't know." He laughed.

Reading his books as a youth, I said, I had detected in them a combination of frantic desire and reverence towards women.

"I wouldn't deny that. I have certainly always found women, especially young women, deeply attractive. I've found it more and more. But if you say that people always think 'dirty old man', I'm not a dirty old man. I just do find all women attractive and I sup-

pose I must admit one's saying sexually. But they do have other qualities. I am deeply ashamed of what man has done to women over the last two millennia."

Would it be wrong to say you had the public schoolboy's favored view of women?

"Of course I did. Women were repeatable and desirable. One had the standard GI's view."

John Fowles said the stroke he suffered was mild. Though physically it had affected his sense of balance, psychologically it had calmed and liberated him. He is writing a novel about the Mediterranean, to be called *In Heligolia*, but said the enjoyment of writing it made the date of its appearance doubtful. He is also quarrying the journal he has kept most all his life. "There you learn you're a good liar. Good liar equals good novelist."

Is writing a good way of coping with tragedies, I asked him, thinking of the sudden death of his wife in 1990 from cancer (she died eight days after diagnosis).

"The only tragedy was my wife dying. It was a very brutal shock to me. There is no secret recipe. You just have to live through it."

"Writing does help you dull it, though. Nothing can quite touch the supreme delight of knowing you have said something well, that you've found some nice turn of a phrase, whatever it may be. "And occasionally you're very lucky and you realise you're hit-

ting on something deeper. And that really is marvellous."

Some of his friends were shocked when Fowles had an affair after Elizabeth's death.

"They didn't realise that you can miss someone so intensely that you're just dying for anyone," he said. "A very pretty girl from Oxford turned up very soon afterwards and I fell a bundle for her. There's no one more stupid than a 60 or 70-year-old falling for a 20-year-old. You half realise that but you can't do anything about it."

John Fowles expects to find nothing at the end of what he calls life's cruise - cruise because to him it seems both artificial and prone to *kerasmos*, hazard. He describes himself as an atheist who finds religion anthropologically "vastly interesting."

What about your own death?

"I'm not morbid. I have an acute belief in being, in the Now. Belief in the afterlife he described as "childish".

So what is the trick to dealing with death?

"What I like is the stress this knowledge puts on what the priests call the sanctity of life. This is the only time you'll ever have; obviously we need better social conditions in order to enjoy it. The metaphysical situation we are all in is a kind of trap. And we can't escape it. It's *poiesis*, really, is that it can't be escaped."

Miss Lee's great adventure

Men are doomed. But women are not quite finished with them

I was in the sitting room the other evening, mulling and pondering. When Miss Lee trooped through, followed by next door's gardener. You never see one without the other. Miss Lee used to be my assistant, but now is not, just as next door's gardener, who is 6ft 5in - I throw that in - does nothing, these days, to next door's garden.

It is an unfortunate height, 6ft 5in. I told Miss Lee once that Josh's problem was that he was half a foot too tall to be a Greco-Roman wrestler and half a foot too short to be a basketball star. I suppose I sounded jealous.

Miss Lee just smiled, because Josh and Miss Lee, who is a Thatcherite Yorkshirewoman, have become a corporation. They were off to catch a flight. They are always catching flights. On their return I always seem to be sitting there, pondering and mulling. They are about to become rich, and I was the catalyst.

In July 1994 Miss Lee had a brainwave while discussing with me the soccer World Cup. She hated soccer, though she had become extremely fond of the Colombian player, Carlos Valderrama. Valderrama aside, she said, soccer was really stupid. However, she had read that the man who founded Nike had set himself the target of inventing a new world game, in order to sell more sportswear.

"It would appear," said Miss Lee, "that this man at Nike shares my opinion that all sports at present, particularly those with balls, are fundamentally

silly. We need a new game." A game - this was crucial - that women would want to watch.

I reported our conversation on this very page, and then forgot about it. But Miss Lee was convinced she could steal a march on the man who founded Nike by inventing her own world game. So she flew to Colombia and picked up Valderrama. She charmed and interrogated him. As a result, she discovered 12 reasons why soccer is so stupid. On her return to London she explained her grand scheme to next door's gardener.

Josh - you have guessed it - is

a prince of cyberspace. Without leaving a trace, Josh can hack into any computer system. Instructed by Miss Lee, Josh has spent months cruising into and out of every fantasy sports league on the Internet. He has also broken into the electronic vaults of every big sportswear and sports-goods company on earth; every Hollywood talent agency; and every media conglomerate. Today, there is nothing that Josh and Miss Lee do not know about the theory, practice and commercial ramifications of every big sport. Armed with all that, they have invented a new one.

"Is it played with a ball?" I asked Miss Lee the other evening.

"Yes," said Miss Lee.

"How many players?"

"Ten, six or three per team."

"Do the players wear sneakers?"

"Of course they wear sneakers, Michael. Are you crazy? In 2006, world sneaker sales are expected to be worth \$17.5 trillion, and Josh and I want our cut. To design a new world sport in 1996 you start with sneakers - and just work up."

"This is a male sport?"

"Initially, yes. But men won't

be here for ever. Testosterone is killing the planet, so men have to go. Before they go they just about have time for one new sport."

"Will women watch this sport?"

"Of course. In America, NBC got excellent Olympic ratings by tailoring its coverage to a feminine sensibility. Women like a story. They want to be involved. So, coverage of my sport will be aimed at men and women equally. In addition, 17 leading media companies are co-producing a related TV soap. The ratings will be huge."

"Anything else?"

"Apart from the soap, the most lucrative spin-off will be a fantasy version of the game on the Internet. The Internet has 60m users - 60m geeks. Geeks will love my game."

"Do I get a royalty?"

"Yes, quite a large one. The ball, you see, Michael, is modelled on your head."



صكيات الامم

WEEKEND INVESTOR

Bids

Pearson, the information, publishing and entertainment group which owns the Financial Times, sold its Westminster Press regional newspaper business to Newsquest Media Group for £305m on Monday, writes Patrick Horverson.

He added the group would be able to strengthen Rico's sales outside North America and was hoping to develop the higher margin accessories business further. The deal is expected to enhance earnings immediately.

The sale, which marked the withdrawal of Pearson from regional newspaper publishing, was agreed despite a rival offer from Mirror Group. News of the disposal, combined with better-than-expected results, lifted Pearson shares 15p to 680p. Newsquest, which is backed by US financiers Robert Kravis Roberts, effectively doubled in size with the acquisition.

Both Blenheim and Reed have refused to comment on their talks. Shares in Lucas Industries rose strongly in the week on expectations that it will shortly conclude its £2.4bn merger with Verity Corporation. This would create one of the world's largest automotive brake manufacturers. Shareholders will vote on the deal next week.

Table with columns: Company, Sector, Price, Change, Volume. Includes entries like Abbey National, Anglo-Continental, and others.

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Ultra Electronics, a former subsidiary of Dowty Group, is planning to seek a stock market listing that would value the defence and aerospace electronics maker at between £120m and £150m. The company, which relies on UK defence orders for more than 60 per cent of its sales, hopes to raise about \$50m from a partial institutional placing.

Most of the proceeds will be used to repay preference shareholders and provide an exit for backers of its 1993 buy-out from T.L. Group, which acquired Dowty in 1992.

Brunner Mond, the UK's only maker of soda ash and refined sodium bicarbonate, plans to list its shares on the London market in the autumn, also raising about \$50m.

The company was last listed in 1926 before it merged with three other companies to form ICI. It remained part of ICI until 1991 when it was bought by a syndicate led by CVC Capital Partners and Byvest Advisers.

Thistle, the UK's second largest hotels company, is poised to return almost six years after losing its stock exchange quotation in a takeover. Thistle and its advisers, led by Merrill Lynch and Baring Brothers, are planning a float in September or October.

Reed Elsevier, the Anglo-Dutch publishing and information group, was sold to Newsquest Media Group for £305m on Monday.

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In the Pink

A lot to be bullish about, not least public finances

Britain could well learn from the US's present success, which, says Brian Reading, is the result of good management

Brian Reading is a director of Lombard Street Research. He says the US is doing well because of good management and low unemployment.

Markets help him. They respond rapidly to evidence of overheating or stagnation. Between them, they have put growth on a tramline: 4 per cent at most, 2 per cent at worst.

The US has avoided such excesses. It rarely bothers about the dollar's exchange rate. By contrast, British governments have been, and will be, obsessed by the pound's value against other currencies.

Late in the 1960s, Nigel Lawson, then the chancellor of the exchequer, shadowed the D-mark. But Germany was stagnating and Britain expanding, so Lawson eased money policy to stop the pound rising when he should have let it go up.

The US is also tackling runaway social spending head-on. Congress has handed responsibility for welfare payments to individual states. Each will receive fixed federal cash grants, to be topped up as they think fit from their own coffers.

Consequently a migrant army of benefit dependants will police the system, marching to wherever benefits are the most generous. Lower welfare spending will result, indirectly creating more jobs, something at which the US is better than Europe.

US monetary policy is better than Europe's, too. Alan Greenspan's Federal Reserve, the nation's central bank, easily outshines Eddie George's Bank of England.

Greenspan, great economist that he is, knows what he does not know. He does not, for instance, know what inflation will be two years hence, or how fast the economy can grow before inflation accelerates. He

employment edges down until it is at its lowest rate compatible with no acceleration in inflation. The result is best possible growth.

The UK Treasury and Bank of England pretend they are more clever. Their actions are guided by forecasts of how much growth and how little unemployment can stand. They may disagree but both are cautious, assuming poor numbers for both.

Sadly, these are self-fulfilling prophecies. The lower their growth targets, the more capacity lies idle. The higher their forecasts of safe unemployment levels, the more unemployed.

But when capacity lies idle endlessly, it is scrapped; while the longer the unemployed are jobless, the less employable they become. This lowers potential non-inflationary growth and raises the unemployment rate below which inflation picks up.

By never testing, as Greenspan does, how fast the economy can run before it overheats, they ensure that it cannot run faster than they think it can. But then, caution comes naturally in a country in which mismanagement has led to past excesses.

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Late in the 1960s, Nigel Lawson, then the chancellor of the exchequer, shadowed the D-mark. But Germany was stagnating and Britain expanding, so Lawson eased money policy to stop the pound rising when he should have let it go up.

The result was the Lawson inflationary boom. Next, the pound was pegged to the D-mark in the European exchange rate mechanism.

But Germany was booming following unification while the British economy was stagnating. Matching German monetary stringency to stop the pound falling caused the Major-Lamont slump, during which the UK's public finances were allowed to go to pot.

This is why the big bull is now merely taking a breather. No great changes are now in sight to end the present secular bull market phase. Fiscal policy is headed for budget balance. Monetary policy is in safe hands. The US does not meddle with its currency.

Given the chance, Labour party leader Tony Blair will probably put sterling back into the ERM to hold open the option of joining the single currency. This would be equally fatal.

Good management explains America's present success. Since the second world war, Wall Street has had three long secular market phases. From 1948 to 1968, the Standard & Poor's index rose 8 per cent a year in real terms (that is, after adjusting for inflation). During the following 14 inflationary years, it fell 7 per cent a year on average in real terms. Now, since 1982, it has risen by 10 per cent a year on average.

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that less you withdraw your funds whenever you like with no penalty. And as for changes in the interest rate, well, you're bound to find out sooner or later - although it would help if everyone took on Woolwich Guernsey's habit of informing investors personally by letter. Yes, your money's almost certainly fine where it is. But the fact remains, that if it's not earning our interest rates it could be having a comfortable time at your expense. So make it earn its keep. Keep it with Woolwich Guernsey.

New Issues

Shares in Somerfield moved to an early premium of 17p yesterday as dealings began following the supermarket chain's turbulent flotation at 145p last month, writes David Blackwell.

Sponsor Kleinwort Benson, which has been criticised over its handling of the float, said yesterday that retail investors had received in full their application for just over 16m of the 300m shares.

Retail investors had to confirm that they still wanted the shares at the price was set twice within a week, from an early range of 180p to 190p. Yesterday the shares closed at 158p.

Reed Elsevier, the Anglo-Dutch publishing and information group, was sold to Newsquest Media Group for £305m on Monday.

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Weekend Investor

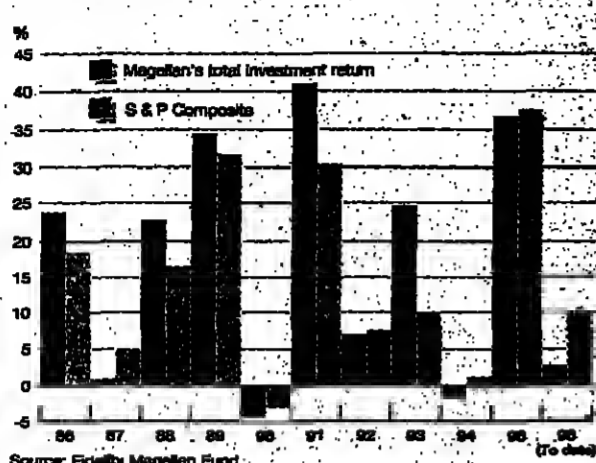
Wall Street

The fund manager who lost faith

Richard Waters finds lessons in the mistakes of Magellan's Geoffrey Vinik

There is a simple lesson for all small investors in the short but spectacular career of mutual fund chief Jeffrey Vinik. It can still be seen etched clearly in the results of Fidelity's Magellan - the giant mutual fund he managed - and is echoed in the investment philosophy of his successor, made public this week.

A fallen star



Source: Fidelity Magellan Fund

Vinik, it might be recalled, shot to fame as the 30-something manager who was given charge of the biggest pool of private investors' money in the US and promptly staked his all on the technology sector. That paid off big in 1993 with an investment return of nearly 25 per cent, or some 15 percentage points more than the stock market at large.

But Vinik lost faith in the high tech sector late last year and put all his eggs into different baskets, mainly the bond market and the stocks of cyclical companies (those whose profits depend most on the health of the underlying economy). That proved a mistake.

After the first wave of stock market enthusiasm generated by the investors last summer, the stocks of computer makers and software writers did indeed fall off - only to be followed by a second jump earlier this year. Nor did Magellan own many shares in the other big winners of this year, the consumer products companies and healthcare groups which are generally labelled as "growth" stocks.

Anybody can get it wrong. In fact, most people do: trying to time the market like this is notoriously difficult. Vinik's bigger mistake, however, was to turn his back on an investment philosophy that had served his legendary predecessor, Peter Lynch, so well. For a growth fund like Magellan - in which many people invest for their retirement - the aim should be to stay with stocks that have the greatest long-term potential.

Historically, funds like Magellan have tended to do slightly better than the stock market in the good years and slightly worse in the bad ones. With the market having more good than bad years, that translates into a superior long-term performance.

Vinik's change of approach upset this virtuous pattern. True, he beat the market handsomely in 1993 and, true to Magellan's form, underperformed it marginally in 1994. But he trailed in 1995, and the picture turned ugly in the first half of this year.

Why should this matter? Is this just another example of US short-termism - its predilection for judging results on a quarterly basis rather than over the long term? Only in part. The fund's short-term performance has been bad enough to drag down its three-year record as well, cutting its average annual gain over that period to 14.2 per cent. That is well below the 17.2 per cent of the Standard & Poor's 500 over the same period, and prompted a withdrawal of money.

Bob Stansky, the new manager, seems to be returning the fund to its roots. In a statement on its investment strategy this week, Magellan noted that he "may seek to emphasise growth stocks" - defined as those with high unit sales and earnings per share growth. Cyclical sectors are described as providing "a secondary focus".

That suggests they will have a distinctly minor role in Stansky's world view. It also suggests he will sell stocks like General Motors and Chrysler, which had become Magellan's biggest equity holdings, along with other big stakes in Caterpillar and John Deere. Perhaps ironically, the shares of many companies in cyclical sectors have taken

on a new lease of life over the past two weeks as concern about an imminent interest rate increase in the US has receded. Of Vinik's biggest holdings, General Motors has risen by 10 per cent in that time and was trading yesterday at \$51. Caterpillar had risen by 9 per cent, and was at \$69.

This does not invalidate Stansky's argument, though, that stocks like these should play only a secondary role in an investment fund which is geared towards long-term capital appreciation. Despite Detroit's efforts to persuade Wall Street that it has changed its ways since the spendthrift 1980s, the stock prices of the US automobile companies still reflect a belief that the industry's fortunes will plummet with the next economic downturn.

Meanwhile, technology stocks as a whole have yet to return to the heights they reached in the spring. But a selection of large, well-established hardware and software companies would have performed at least as well as most other industry sectors - much better, in many cases. By yesterday lunchtime, Microsoft was at \$125, less than \$1 from its record high, while Intel was \$90, having announced another record earlier in the week.

Dow Jones Ind Average

Monday	5,674.28 - 5.56
Tuesday	5,696.11 + 21.83
Wednesday	5,718.67 + 22.56
Thursday	5,713.48 - 5.18
Friday	

Tall tales from Rumour Man

London

Philip Coggan on a week when talk was cheap

Somewhere, deep in the bowels of the City, sits the Rumour Man. Most of the time he sleeps in his chair but occasionally he wakes, stretches his arms and gets to work on the telephone.

There are times when the Rumour Man has no luck; nobody believes his stories. But when there has been a spate of actual takeover bids, or when activity in the market is slow, his tales move share prices. Take the past couple of weeks.

First, there was the story that Unilever might bid for Cadbury Schweppes; Cadbury shares leapt on the talk but Unilever's results came and went yesterday without any bid announcement. This week's stories included brief talk that Reed Elsevier might bid for either Reuters or Pearson, owner of the Financial Times; Reed did announce a deal but it was merely the £100m purchase

of specialist publisher Tolley.

Thursday saw the revival of the old story that Schroders, the merchant bank and asset management group, might be about to lose its independence.

There is usually a touch of plausibility about such tales; many merchant banks have been snapped up by purchasers in recent years, and shares in Schroders could also have been lifted by good figures from Kleinwort Benson, which were revealed when Dresdner Bank of Germany announced its results.

But the key to the wave of rumours this week might simply have been the onset of August. Many market participants are on holiday, and traders are desperate for any ideas to generate deals.

There was, at least, plenty of genuine corporate news for them to chew over including a £1.4bn deal - the merger between insurance groups United Friendly and Refuge. More consolidation

in the insurance sector has been widely expected.

The UK insurance industry seems to be overcrowded and offers scope for plenty of cost-cutting in terms of sales and back office staff. Ironically, United Friendly and Refuge were rarely mentioned as likely candidates for merger.

A batch of FT-SE 100 index constituents reported results this week and produced figures that were generally in line with expectations. One or two disappointed, such as Unilever yesterday, but there were some robust figures from the banks - notably Barclays, which also kept traders busy with a £470m share buy-back programme.

The four-week average of the dividend index, this column's indicator of corporate sentiment, is at 67 per cent, near to its highest level since the start of 1995. The index is calculated by subtracting the number of



When Rumour Man stirs, finding the truth is a riddle. Robin Colclough

reduced payouts from the number of increases and expressing the result as a percentage of the total (including maintained payments).

At the moment, around two out of three companies are raising their payments, a sign that UK management is fairly confident about its prospects.

Nevertheless, as the graph shows, the rate of earnings per share growth has been slowing steadily since the middle of 1995. It is natural for profits growth to be fastest when the economy moves out of recession, and to slow later as costs start to rise when the economy gets close to full capacity.

But the late 1990s showed that the economy, and corporate profits, can get a "second wind". That could be happening now, with the consumer sector taking up the running from manufacturing.

The latest Confederation of British Industry distributive trades survey showed that retailers are expecting the fastest rate of sales growth since 1988, a year notorious as the height of the "Lawson boom".

The housing market is emerging from its long slump, car sales are strong, and luxury goods groups are having a revival. It is small wonder that the Bank of England, in its latest quarterly inflation report published this week, argued that interest rates would have to rise if the government was to keep inflation below 2.5 per cent in two years' time.

Most analysts believe, however, that chancellor Kenneth Clarke will attempt to make one more quarter of a percentage point cut in rates before the election, which should make his monthly chats with the Bank's governor very interesting.

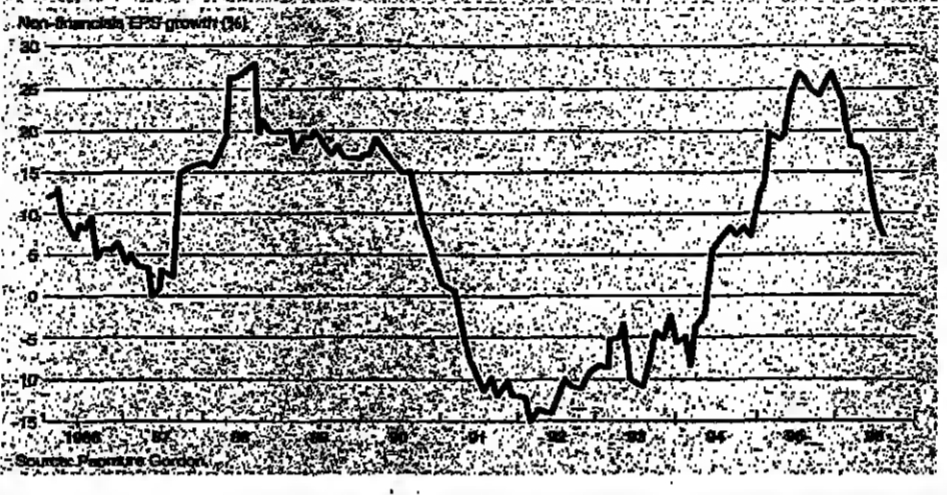
Clarke has to judge whether the electoral advantage of cutting rates will be offset by the damage done to financial markets of what might be seen as a risky economic policy. Any strong disagreement with the governor would, inevitably, have an adverse impact on sterling and on gilts, thereby increasing the cost of funding the government's hefty fiscal deficit.

For much of this week, however, the corporate news - some true, some devised by the Rumour Man - kept investors' minds off the potential dangers. The FT-SE 100 index managed seven consecutive daily gains, running out of steam only yesterday.

In essence, the market has moved from the bottom of its trading range - reached in mid-July when belief that the Federal Reserve would soon raise US interest rates was at its height - to the top; now that most investors seem convinced the Fed will not act this month.

To break out of the top of the range might require a narrowing of the opinion poll gap between Conservatives and Labour, or simply for one of the Rumour Man's more extravagant stories to come true.

The slowing pace of earnings growth



Highlights of the week

FT-SE 100 Index	3810.7	+40.1	3857.1	3441.4	Strong results news
FT-SE 250 Index	417.5	+2.8	420.3	389.7	Takeover speculation fades
Airtours	570	+50	570	308	Good results
BHP	298	+14	349.5	229	Sector rebound
Barclays	898	+51	904	683	Share buy-back
Brit. Airways	516	-21.6	572	424.6	US Air worries
Harrold	169.9	+13	221	151.4	Sector rebound
Pearson	647	+36	744	588.6	Relief after results
Cadbury Schweppes	817	+21.8	817	483.7	Takeover speculation fades
Powertech	518	+54	625	492	Takeover talks
Reed Elsevier	449	-25	547	382	Disappointment at restructuring
Refuge	785	+42.8	814	529.6	Breaker buy notes
United Friendly	594	+20	689	518	Buy-back hopes
Unilever	805	+72	943	828	Merger with Refuge



Barry Riley

Growth in a cold climate

Attitudes to value in the stock market are changing

These are hard times for "value" investors who choose shares by focusing on measures of solid immediate value, such as dividends, earnings or tangible assets. The rewards have been going to investors who pursue less immediate objectives related to future growth, although some of the fancier speculations in biotechnology and suchlike have lost some of their magic lately.

This growth orientation is unusual because, in the UK at least, value stocks performed well up until 1995, when the pattern changed. There was, however, a bad period for value between 1990 and 1992 while the UK was struggling to stay inside the European exchange rate mechanism at an exchange rate nearly 30 per cent higher than now.

This column is the first in a summer series of three on changing attitudes to value in the stock market, in which I will discuss how investors should adjust to the new environment.

Professional portfolio managers are monitoring closely the valuation shifts that have been taking place. Amateur investors may be less aware that, for instance, the average UK growth unit trust has outperformed the average income fund by 6 per cent

over the past year. Most investors, however, will be acutely conscious that standard blue chips like British Gas, Hanson and British Telecom have seriously underperformed.

One of the favourite unit trust value styles is "recovery", which has been struggling. And any investment strategy based on high income has faced serious problems.

The FT-SE 350 index has been divided into two so-called style indices based on its higher-yielding and lower-yielding constituents, and the higher yield index has underperformed its lower yield twin by 7 per cent in capital terms so far in 1996. Another measure, the BZW high yield index, has underperformed the All-Share index by 12 per cent in the past year.

Why has chasing high dividend income suddenly become so dangerous? Income seekers are limited to three rather risky categories of shares. Utilities performed very strongly in the early years after privatisation, but lately they have come up against much tougher regulation and looming political risks from a future Labour government.

Second, there are declining companies that are over-distributing; Hanson is arguably in this

category. Finally, there are recovery situations - but four years into the UK's economic upturn, there are few of these around. Other UK style indices based on assets per share are planned and, if available already, would no doubt have shown that the ratio of share price to book net

Chasing high dividend income has suddenly become dangerous

worth per share (the lower the better, in theory) has not been a guide to good performance recently, either. The whole stock market has gone to a big premium over underlying net worth. The Bank of England calculated recently that Tobin's q ratio, the aggregate ratio of stock market prices to the replacement cost of company assets, has gone to about 1.3 in the UK. During the 1970s and early 1980s, it was usually about 0.6. Investors could buy a lot more assets for their money. In the US, q has gone still higher and is roughly where

it was at previous periods of very high stock market valuation, in the late 1920s and late 1980s. Bears see that as a warning, although not necessarily of imminent danger. A high q is a sign of exceptional average profitability of industrial and commercial assets. This is likely to be eroded slowly by the accelerated rates of new investment.

These high valuations are not spread evenly, though. They are focused on growth areas in technology, the media and services. This year's boom and shakeout in biotechnology has been symptomatic of the desperate search by investors for growth in promising but highly speculative areas.

Western economies have been slowing down in recent decades. Growth has never been relatively very impressive in the UK, anyway, compared with continental Europe or even the US; but, in the post-war years, the average expansion of GDP was around 3 per cent. That slowed to 2 per cent in the 1970s and 1980s, while it has averaged little more than 1 per cent in the 1990s so far.

True, there was a brief acceleration in 1994 and, with dogged optimism, the Treasury claims the underlying growth rate is 2.5 per cent. But the

slowdown to 1.8 per cent, year-on-year, by the second quarter this year has signalled the fundamental lack of vigour.

For investors conditioned to expect double-digit stock market returns, this poses serious problems. It is plain that much of the economy is not growing, and some important sectors are actually shrinking.

Such significant growth points as can be detected in the economy - ranging from satellite and cable television and the Channel tunnel to mobile telephones - are not always profitable in themselves and destroy value elsewhere. Look at the weakness of the ITV companies, or P&O. Innovations such as the telephone selling techniques developed by Direct Line have stripped business from other companies, one response being a merger between Royal Insurance and Sun Alliance.

In the past, declining companies have sought to buy their way into growth. This still goes on, as in the recent case of the Pelican restaurant purchase by Whitbread. But the price of growth has risen, and shareholders these days insist on "focus".

Companies, however, are responding in other ways, which I will examine next week.

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Main table containing financial data for various unit trusts, including columns for fund names, prices, and other financial metrics. The table is organized into multiple columns and rows, covering a wide range of investment funds.

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INSURANCES



Mr Man



Mr Man

Insurances, Money Markets and Other

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Table listing various insurance and financial products, including General Insurance, Life Insurance, and Money Market funds, with columns for product name, provider, and key details.

Table listing Life Insurance products from various providers, including Royal Liver Assurance, Scottish Provident, and others, with columns for policy details and rates.

Table listing Money Market and Trust Funds, including various investment options and their performance metrics.

Table listing Money Market Bank Accounts, detailing different types of accounts and their associated interest rates and terms.

Table listing Money Market Bank Accounts (continued), providing further details on account types and financial terms.

Table listing Money Market Bank Accounts (continued), including additional account options and provider information.

MANAGEMENT SERVICES

Table listing Management Services, including various financial advisory and investment management offerings.

NOTES: General conditions of business apply to all policies. Details of terms and conditions are available on request.

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Offshore Funds and Insurances FT MANAGED FUNDS SERVICE

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Main table containing fund names, descriptions, and prices. Includes sections for Luxembourg (REGULATED), Offshore Funds, and Insurances.

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OFFSHORE

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Offshore Insurances and Other Funds

Main table containing fund names, prices, and performance metrics. Includes sections for 'Other Offshore Funds' and 'Managed Funds Notes'.

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OTHER OFFSHORE FUNDS

Table listing various offshore funds such as ATP Management Ltd, AXA Asset Management, and others.

MANAGED FUNDS NOTES

These are the latest updates on the performance of various funds, including details on the FT Cityline Fund Service.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Aug 9/1996)

Table listing stock prices for various US companies including IBM, Microsoft, and General Electric.

CANADA (Aug 9/1996)

Table listing stock prices for various Canadian companies.

MEXICO (Aug 9/1996)

Table listing stock prices for various Mexican companies.

BRAZIL (Aug 9/1996)

Table listing stock prices for various Brazilian companies.

ARGENTINA (Aug 9/1996)

Table listing stock prices for various Argentine companies.

CHILE (Aug 9/1996)

Table listing stock prices for various Chilean companies.

PERU (Aug 9/1996)

Table listing stock prices for various Peruvian companies.

VENEZUELA (Aug 9/1996)

Table listing stock prices for various Venezuelan companies.

EUROPE

GERMANY (Aug 9/1996)

Table listing stock prices for various German companies.

FRANCE (Aug 9/1996)

Table listing stock prices for various French companies.

UK (Aug 9/1996)

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SPAIN (Aug 9/1996)

Table listing stock prices for various Spanish companies.

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GREECE (Aug 9/1996)

Table listing stock prices for various Greek companies.

Advertisement for Peregrine with the headline 'Money Talks In Asia' and text describing their services in Asia.

EUROPE

AUSTRIA (Aug 9/1996)

Table listing stock prices for various Austrian companies.

NETHERLANDS (Aug 9/1996)

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GREECE (Aug 9/1996)

Table listing stock prices for various Greek companies.

INDICES

Table showing various stock indices like Dow Jones, S&P 500, and Nikkei.

US INDICES

Table showing US stock indices like Dow Jones, S&P 500, and NASDAQ.

SOUTH AFRICA (Aug 9/1996)

Table listing stock prices for various South African companies.

AFRICA

Table listing stock prices for various African companies.

ASIA

Table listing stock prices for various Asian companies.

AMERICA

Table listing stock prices for various American companies.

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Table listing stock prices for various European companies.

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INDEX FUTURES

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Handwritten text in Arabic script: 'صكوات الامل'

Large vertical text on the right edge of the page, partially cut off, including 'and prices' and 'pressure on'.

WORLD STOCK MARKETS

AMERICA

Bond prices offset book-to-bill ratio

Wall Street

US shares held close to Thursday's closing levels in decision trading as weak or-than-expected demand for semiconductor was offset by rising bond prices.

removing fears that the Federal Reserve might raise interest rates later this month. Economists had forecast a 0.2 per cent increase in the PPI.

new orders were received. Technology shares opened weaker on the semiconductor data, but managed to rebound by midday.

warned that profits for the quarter just ended would be lower than analysts' estimates. Hambrecht & Quist, the San Francisco-based investment bank, rose on its first day of trading.

Toronto-Dominion Bank hitting new 52 week high before easing to C\$34.10, up 10 cents, and C\$26.75, up 5 cents respectively.

EUROPE

Pressure on franc continues in Paris

Pressure on the French franc continued to make its impact felt in PARIS. The currency fell to a four-month low against the D-Mark as rumors abounded.

The stock made FFr6.70, or 5.3 per cent, to FFr134.50. Renault was another outperformer as some bargain hunting took place following the stock's recent weakness.

However, some brokers felt that in spite of the disappointment over the interim, prospects for the full year remained promising.

MILAN was another market upset by currency weakness, with the lira responding to speculative attacks made against the French franc.

US oil sanctions, and the government's plans to sell off another tranche of the group in October.

Mr Darren Williams of UBS said it was too early to call the current problems with the franc a crisis, "more of a wobble".

Transatlantic influences included the poor US semiconductor book-to-bill ratio, and halved net income at Hoechst Celanese in the June quarter.

AMSTERDAM pressured Unilever, which published a set of interim results interpreted as disappointing.

STOCKHOLM and ZURICH moved their ABB share prices up, and down respectively after good half-year results on Thursday.

Finally, it suffers from the "risk" of reflecting the risks relating to China's resumption of sovereignty next July.

ASIA PACIFIC

US chip data put pressure on region

Tokyo

Softer than expected US semiconductor demand affected sentiment, and share prices lost ground in spite of the dollar's rise against the yen.

High-technology stocks were mixed. Sony declined Y30 to Y6,890 but the dollar's strength helped some stocks, including Hitachi, which rose Y20 to Y1,020.

The electronic sector fell 1.4 per cent, with United Microelectronics down T\$1.1 to T\$36.7.

JAKARTA remained subdued as many investors became nervous over the possibility of unrest in the city.

Singapore was closed for a public holiday.

Trading houses were weaker. Mitsui, the most active issuer of the day, fell Y16 to Y946.

Samung Electronics lost 2.7 per cent in SEOUL, following the disappointing data from the US Semiconductor Industry Association.

SEANGHAI Ba rose slightly, with the index rising 0.51 to 53.22 in volume of 33,251 shares, valued at HK\$18.5m.

Singapore was closed for a public holiday.

Roundup

Table with columns: Country, Index, Change, High, Low, Close. Includes Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Hong Kong, Indonesia, Ireland, Italy, Japan, Korea, Malaysia, Mexico, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Thailand, United Kingdom, USA.

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Hong Kong breaks its summer lethargy

Louise Lucas asks if US links are weakening

Fuelled by expectations of bumper results from HSBC Holdings, which duly materialised last Monday, the Hong Kong stock market has enjoyed a welcome break from summer doldrums.

Thailand hardest, due to the currency links with the US dollar in both countries. However, while Thailand was the worst performing market in the region last month, shedding 15 per cent, Hong Kong dropped just 3.5 per cent.

sluggish retail figures and historically high unemployment figures. However, in valuation terms Hong Kong remains relatively attractive. The market is on a 1996 price earnings multiple of around 12.4, according to Salomon Brothers' calculations.

STOCKHOLM and ZURICH moved their ABB share prices up, and down respectively after good half-year results on Thursday.

Finally, it suffers from the "risk" of reflecting the risks relating to China's resumption of sovereignty next July.

China companies in Hong Kong fall into two camps: the 'pure' H shares, former state owned enterprises now listed in Hong Kong, and the red chips - a loose term used to cover the legions of stocks listed with strong China connections and exposure, such as Citic Pacific.

AMSTERDAM pressured Unilever, which published a set of interim results interpreted as disappointing.

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Singapore was closed for a public holiday.

LONDON EQUITIES

Table with columns: Index, Change, High, Low, Close. Includes FTSE 100, FTSE 250, FTSE 1000, etc.

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TRADEPOINT INVESTMENT EXCHANGE

Table with columns: Index, Change, High, Low, Close. Includes FTSE 100, FTSE 250, FTSE 1000, etc.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Share Information Service. Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talliesman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings. For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date. Bargains at special prices. Bargains done the previous day.

British Funds, etc

Investment 1.5% 5% 2000000 - 112.5 (1996)
Investment 10% 5% 2000 - 117.75 (1996)
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Foreign Stocks, Bonds, etc

Abbey National Sterling Capital PLC 2 1/2%
Subord Deb 2004 (1996) - 110.8 (1996)

UK Public Bonds

Part of London County 2 1/2% Part of London
A 28 2998 - 108 (1996)

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Barnard-J.P. Hedge PLC 2 1/2% Cum Prt 1 - 80
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FT-SE ACTUARIES INDICES

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SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbour-hood slob with a grubby vest and a weekend's stubble on his chin.

And the real refugee could just as easily be the clean-cut fellow on his left.

You see, refugees are just like you and me.

Except for one thing.

SPOT THE REFUGEE

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing.

And nothing is all they'll ever have unless we all extend a helping hand.

We know you can't give them back the things that others have taken away.

We're not even asking for money (though every cent certainly helps).

But we are asking that you keep an open mind. And a smile of welcome.

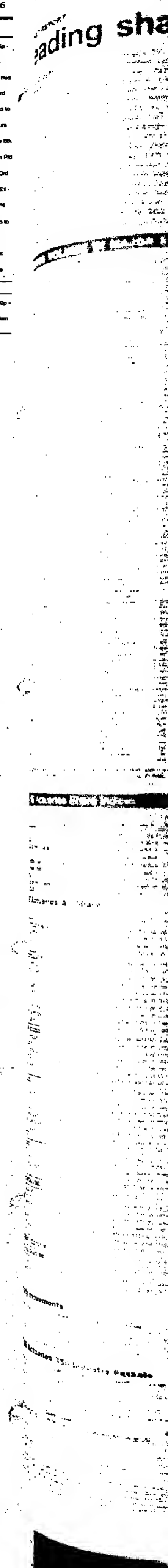
It may not seem much. But to a refugee it can mean everything.

UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.

UNHCR Public Information P.O. Box 2500 1211 Geneva 2, Switzerland



سكان من الامل



LONDON STOCK EXCHANGE

MARKET REPORT

Leading shares recover from early losses

By Philip Coggan, Financial Editor
The winning run of the FT-SE 100 index finally ended yesterday but the market's leading benchmark...

might be able to make further interest rate cuts.
An opinion poll showing Labour had increased its lead over the Conservatives may also have depressed sentiment...

There certainly seems to have been a change in mood since the middle of July, when Footsie slumped to 3,882. Mr Richard Jeffrey, Charterhouse group economist, believes that "the market's going to make new highs in the next month. It has absorbed a lot of bearish sentiment over the last few months. But corporate statements are getting more positive...

July. We have a firmer US stock market on the back of the US long bond yield falling from 7.25 per cent to 6.75 per cent. Also UK shares seem reasonably priced, with the yield ratio just over 3 and a decent gap between the dividend yield and the real yield on index-linked.

There was little inspiration from the bond market with gilt yields virtually flat on the day.
Volume was accordingly subdued, with 513.8m shares traded by the 6pm cut, of which 89 per cent was in non-FT-SE 100 stocks.

TRADING VOLUME IN MAJOR STOCKS

Table with columns: Stock Name, Vol. 000, Closing, Days, etc. Lists major stocks like Astra Group, British Airways, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table with columns: Index Name, Open, Settle, Change, High, Low, etc. Lists FT-SE 100 Index, FT-SE 100 Index Options, etc.

STOCK INDEX FUTURES TRADED

Table with columns: Index Name, Open, Settle, Change, High, Low, etc. Lists FT-SE 100 Index, FT-SE 100 Index Options, etc.

PREMIUM FOR FOODS

Somerfield closed at a premium of 14 to its flotation price of 145p, a movement which was expected after the issue price had to be slashed to get the stock away.

CHIEF PRICE CHANGES

Table with columns: Company Name, Price, Change. Lists various companies like Astra Group, British Airways, etc.

FT-SE 100

Table with columns: Date, High, Low, Open, Close, etc. Shows FT-SE 100 index performance over time.

FT-SE 100 ACTUARIES ALL-SHARE

Table with columns: Date, High, Low, Open, Close, etc. Shows FT-SE 100 Actuaries All-Share index performance.

FT-SE 100 ACTUARIES 350 INDUSTRY BASKETS

Table with columns: Date, High, Low, Open, Close, etc. Shows FT-SE 100 Actuaries 350 Industry Baskets index performance.

HEAVY MOVEMENTS

Table with columns: Stock Name, High, Low, Open, Close, etc. Lists stocks with significant price movements.

LEGAL NOTICES

NOTICE IS HEREBY GIVEN that a Petition was on 18th July 1996 presented to His Majesty's High Court of Justice for the confirmation of the reduction of the share capital of the above named company...

NEW 52 WEEK HIGHS AND LOWS

Table with columns: Company Name, High, Low. Lists companies at their 52-week highs and lows.

THE NATIONAL GRID COMPANY plc

The Transmission Services Scheme provides the National Grid Company plc ("NGC") with incentives to manage certain elements of the costs that arise as a result of the distance between actual generation and the scheduled day ahead forecast generation schedule.

OFFENACHTY

Table with columns: Company Name, Change, etc. Lists various companies and their percentage changes.

LEGAL NOTICES

NOTICE IS HEREBY GIVEN that a Petition was on 18th July 1996 presented to His Majesty's High Court of Justice for the confirmation of the reduction of the share capital of the above named company...

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing various alcoholic beverage companies and their share prices.

BANKS, MERCHANT

Table listing banks and merchant companies and their share prices.

BANKS, RETAIL

Table listing retail banks and their share prices.

BREWERIES, PUBS & REST

Table listing breweries, pubs, and restaurants and their share prices.

BUILDING & CONSTRUCTION

Table listing building and construction companies and their share prices.

BUILDING MATS. & MERCHANTS

Table listing building materials and merchant companies and their share prices.

CHEMICALS

Table listing chemical companies and their share prices.

CHEMICALS - Cont.

Continuation of chemical companies and their share prices.

DISTRIBUTORS

Table listing distributor companies and their share prices.

DIVERSIFIED INDUSTRIALS

Table listing diversified industrial companies and their share prices.

ELECTRICITY

Table listing electricity companies and their share prices.

ELECTRONIC & ELECTRICAL EQPT

Table listing electronic and electrical equipment companies and their share prices.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of electronic and electrical equipment companies.

ENGINEERING

Table listing engineering companies and their share prices.

ENGINEERING - Cont.

Continuation of engineering companies.

ENGINEERING, VEHICLES

Table listing engineering and vehicle companies and their share prices.

EXTRACTIVE INDUSTRIES

Table listing extractive industries companies and their share prices.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of extractive industries companies.

FOOD PRODUCERS

Table listing food producer companies and their share prices.

FOOD PRODUCERS - Cont.

Continuation of food producer companies.

GAS DISTRIBUTION

Table listing gas distribution companies and their share prices.

HEALTH CARE

Table listing health care companies and their share prices.

HOUSEHOLD GOODS

Table listing household goods companies and their share prices.

HOUSEHOLD GOODS - Cont.

Continuation of household goods companies.

INSURANCE

Table listing insurance companies and their share prices.

INVESTMENT TRUSTS

Table listing investment trusts and their share prices.

INV TRUSTS SPLIT CAPITAL

Table listing split capital investment trusts and their share prices.

INVESTMENT TRUSTS - Cont.

Continuation of investment trusts.

INVESTMENT TRUSTS

Table listing investment trusts and their share prices.

INV TRUSTS SPLIT CAPITAL

Table listing split capital investment trusts and their share prices.

Advertisement for Sharelink, featuring the text 'Indefinitely. 0121 200 2242. SHARELINK Helping investors help themselves.' and a logo of a hand holding a pen.

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LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for Name, Price, and % Change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

LEISURE & HOTELS

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies (continued).

LIFE ASSURANCE

Table listing life assurance companies.

MEDIA

Table listing media companies.

PHARMACEUTICALS

Table listing pharmaceutical companies.

PROPERTY

Table listing property companies.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies.

OIL, INTEGRATED

Table listing integrated oil companies.

OTHER FINANCIAL

Table listing other financial companies.

PROPERTY - Cont.

Table listing property companies (continued).

SUPPORT SERVICES

Table listing support service companies.

AIM

Table listing companies on the Alternative Investment Market (AIM).

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies.

PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing food retailers.

RETAILERS, GENERAL

Table listing general retailers.

PROPERTY

Table listing property companies.

PROPERTY - Cont.

Table listing property companies (continued).

PROPERTY - Cont.

Table listing property companies (continued).

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Table listing property companies (continued).

PROPERTY - Cont.

Table listing property companies (continued).

TELECOMMUNICATIONS

Table listing telecommunications companies.

TEXTILES & APPAREL

Table listing textiles and apparel companies.

TOBACCO

Table listing tobacco companies.

TRANSPORT

Table listing transport companies.

WATER

Table listing water companies.

WATER

Table listing water companies (continued).

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AM - Cont.

Table listing American companies.

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Rockwell's advanced technology is helping railroads improve performance and promote safety. Rockwell logo.

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Edit, a member of the Financial Times Group. Company classifications are based on those used for the FT-SE Actuaries Share Indices. ...

LEGAL DEFINITIONS

goodwill n. 1 document in which you are left something of value 2 what you should extend to others when this occurs 3 the good reputation of a business and its contacts with its customers. See ROWE & MARY: ASP (ph 0171-248 4282)

Rowe & Mary LAWYERS FOR BUSINESS

FINANCIAL TIMES

Weekend August 10/August 11 1996

MoDo

PULP, PAPER & PAPERBOARD

Industry likely to bow to UK police pressure
Internet providers may restrict access to porn

By Paul Taylor in London

UK-based Internet service providers look likely to bow to pressure from Scotland Yard, headquarters of the Metropolitan Police force in London, and voluntarily try to restrict access by their subscribers to pornography on the information superhighway.

The recently-formed Internet Service Providers Association, which represents 60 of the estimated 140 Internet service providers in Britain, is to ask members to actively blocking access to Internet Usenet newsgroup electronic noticeboards featuring hard-core pornography. Police had warned they might intervene if no action was taken.

There are more than 20,000 Usenet newsgroups on the Internet which operate as discussion groups and cover subjects ranging from cooking and religion to sport and politics. Internet users can "post" comments, or scanned images, to these newsgroups.

The move comes as authorities in many parts of the world struggle to tackle illegal activities connected with the largely unregulated Internet - including the distribution of hard-core pornography. The association's initiative follows a recent meeting between the association and other Internet service providers, and the head of the Metropolitan Police clubs and vice unit.

The Internet service providers were told at the meeting that they faced the prospect of police intervention if they failed to deal with "the issue of public concern". Police chiefs also presented the meeting with a list of newsgroups which they said had been found to include pornography.

The association offered to act as "a clearing house to ensure the list was kept up to date and to facilitate the pooling of information from members". Mr Nicholas Lanzman, of the association, said it now planned to consult its members on the contents of the list.

Subject to their agreement, a condition of membership would be proposed that members block access to pornographic newsgroups.

However, as in the US where a panel of judges recently ruled that a law limiting distribution of pornography on the Internet was unconstitutional, the Internet industry remains deeply divided over the issue.

In Britain some Internet service providers, including UUNET Pipes, the largest independent commercial service provider and a member of the association, already try to filter access to a small number of pornographic newsgroups. Mr David Barratt, UUNET's marketing director, said his group already blocked "unambiguously illegal material".

But Demon Internet, which claims the largest subscriber base in the UK, yesterday dismissed the proposed action as ineffective. "This is not a solution, it is just hiding the problem," said Mr James Gardiner, marketing manager at Demon.

Paris urges banks to drop claim on homes of directors

By Andrew Jack in Paris

The French government is putting pressure on the country's banks to waive their usual demand to secure a small business loan against the house of the company owner.

The aim is to relieve pressure on entrepreneurs and encourage company creation at a time when France is becoming increasingly concerned about linking the obstacles which block the development of small businesses.

Mr Jean-Pierre Raffarin, minister for commerce and small business, said the clause would form one of the most important elements in a new charter designed to rebalance relations between small companies and their banks.

He said it was designed to protect business executives from losing their principal house if they were unable to repay a bank loan.

The charter document is being drawn up based on the recommendations of the Piarre report, written by a former senior civil servant, and will be subject to ratification by small businesses and the banks. It is expected to be announced in early autumn.

It is also likely to demand that smaller companies be more transparent in the financial information they provide to bankers, and clarify "rights and duties" between both partners.

Mr Raffarin said the government did not intend at present to introduce legislation to enforce the charter, but that indications so far suggested the banks were willing to go along with the idea.

The French banking association admitted yesterday that banks were sometimes criticised for demanding steep levels of security against loans even when the business projects being supported were of high quality.

Mr Raffarin said French small businesses had little loyalty towards bankers, which made developing long-term relationships difficult. He also accused the banks of being insensitive and withdrawing support, particularly when a company was going through a difficult period.

Dole eyes Kemp as possible presidential running-mate

By Jurek Martin in San Diego

Mr Jack Kemp, the 61-year-old former Republican congressman and housing secretary, has suddenly emerged from the pack as a possible running-mate for Mr Bob Dole in the US presidential campaign.

Mr Kemp met Mr Dole in Washington on Thursday and said he had not yet been asked to take on the challenge. "I'm going to leave it in Bob Dole's hands," he said enigmatically yesterday.

The presumed Republican presidential nominee said he had made up his mind but would only reveal his decision in his home town of Russell, Kansas, today. Asked whether he considered his choice a perfect "10", Mr Dole said that his choice was "probably 11".

Other candidates known to have been given serious consideration are Senators John McCain of Arizona, Connie Mack of Florida and Don Nickles of Oklahoma, as well

as Governor John Engler of Michigan and former Governor Carroll Campbell of South Carolina.

Mr Kemp and Mr Dole are old rivals, both for the Republican nomination in 1988 and over economic policy. Mr Kemp, a classic Republican tax-cutting supply-sider, has often been at odds with Mr Dole's preference for deficit reduction, but the latter's new economic platform, unveiled last Monday, constitutes a big move in the Kemp direction.

Mr Kemp did not even endorse Mr Dole in the spring primaries, coming out, even if belatedly, for his old friend Mr Steve Forbes, the magazine publisher. He is also a vigorous opponent of new controls on immigration, now an article of faith in the Republican party and endorsed by Mr Dole, and more sympathetic to the problems of the poor in American inner cities than most in his party.

But Mr Kemp has long been

popular among conservative Republicans with a libertarian streak. "I didn't want anything, I haven't sought anything, I didn't expect anything, and still don't. And I have immense regard and respect for Bob Dole, it's his decision," he said yesterday.

Nevertheless, Mr Kemp has the reputation of being a poor and undisciplined campaigner, as his abortive 1988 effort demonstrated. Earlier this year, when he announced he would not seek the nomination, he also said he felt out of touch with the party on several issues which were important to him, including immigration and reductions in the social safety net.

Still, his selection would be popular in San Diego. He spent most of his professional football career in Buffalo, New York, but finished it as quarterback for the local San Diego Chargers.

A longing for choice, Page 3

German steel chief arrested

Continued from Page 1

tions into the AEB-Metallurgiehandel case were closed in 1993 after prosecutors decided there was "not sufficient material to bring criminal charges", Thyssen said.

An out-of-court settlement was agreed which, according

to press reports, cost Thyssen DM86m. Investigations were reopened early this year after prosecutors said they had received "unspecified new evidence". Since then, Thyssen says, the company had co-operated extensively with prosecutors, and was surprised by the arrests.

S African violence warning

Continued from Page 1

would serve to enhance the confidence of people in the police service," said the ANC.

Police also admitted yesterday that they had compiled a file on the threat of Islamic extremism surfacing in South Africa. A spokesman con-

firmed that the document, leaked to the media, looked into the activities of 11 groups, members of which had been trained in Libya, Iran, Pakistan and Afghanistan.

He added that the document made a distinction between the Moslem faith and Islamic extremism.

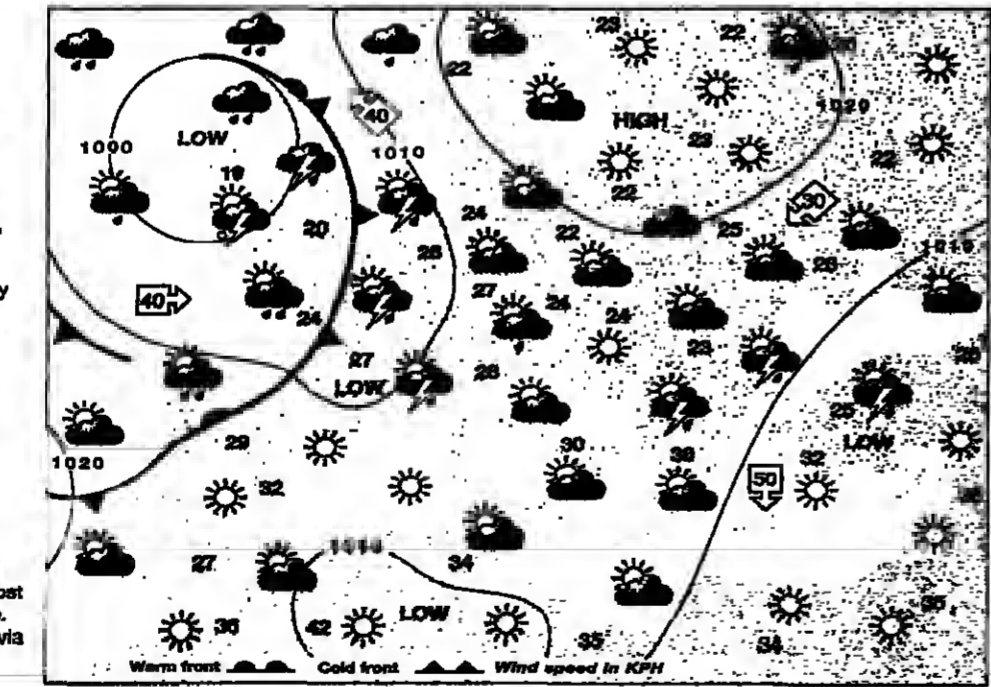
FT WEATHER GUIDE

Europe today

The British Isles will be rather cloudy with rain and thunder showers. France will have numerous showers which will be heaviest in the east. Recurrent showers and thunder storms will produce a lot of rain in the Alps, Northern Spain, France, Portugal, south-western Germany and the Benelux will have showers. The Mediterranean will stay dry, sunny and warm with temperatures around 30C. The Black Sea area will have thunder showers. Scandinavia, the Baltic states, Poland and the Balkans will stay dry with sunny periods and temperatures between 20C and 25C.

Five-day forecast

Western Europe will remain unsettled with rain and thunder showers. Afternoon temperatures will be between 20C and 25C. Most rain is expected in central Europe. The Mediterranean and Scandinavia will stay mostly dry and rather sunny.



TODAY'S TEMPERATURES

Table listing temperatures for various cities like Madrid, Beijing, London, etc.

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

Table listing temperatures and forecasts for cities like Madrid, Beijing, London, etc.

More and more experienced travellers make us their first choice.



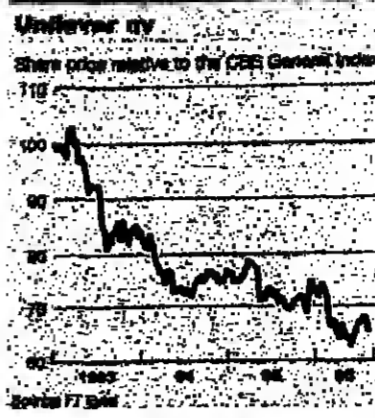
Lufthansa

THE LEX COLUMN

Nervous Nikkei

Lingering hopes that July's sharp fall in Tokyo stocks might have been merely a reflection of Wall Street volatility have now been dashed. While some calm appears to have returned to US equities, Japanese stocks have fallen further. The Nikkei 225 index closed yesterday with another weekly loss, and is now almost 10 per cent below its June peak - clear evidence that domestic worries are depressing investors. Most troubling is that the tide of foreign buying which has supported the market for the last year seems to have turned. Since July 1995, equities had been driven upward in a steady pattern of domestic investors selling to grateful foreigners. But last month, for the first time in 18 months, foreigners turned net sellers.

FT-SE Eurotrack 200: 1703.0 (-2.6)



concerns pale against the potential of the merger. Cost savings should enhance earnings per share by 20 per cent in the first full year. And there is much Mr Victor Rice, Vartiy's aggressive chief executive, can do to overhaul the complacent culture of Lucas. His decision that the top 150 managers from both companies must apply for reselection is a good start. Vartiy's Perkins engines business is growing rapidly and Lucas itself is developing new products, such as electronic power steering. Despite that, Lucas shares are trading on around 12 times forecast 1997 earnings, a big discount not only to the market but also to rivals GKN and BBA. They look attractive.

can be most profitably spent. If business suddenly came good for Unilever, as at Nestle, there would be greater resistance to restructuring; and the management changes might amount to little more than a shuffling of deckchairs. The European markets, which account for 53 per cent of first-half operating profits, are providing little excuse for complacency. Nonetheless, cost-cutting should start to drive profits in the second half. And with increasing capital being pumped into emerging markets, prospects for 1997 are looking rosier, so long as the management is not allowed to relax.

Unilever

Unilever is having trouble growing. Three restructuring programmes since 1990 and a list of acquisitions have failed to do anything for profits. And even with lower packaging and raw material prices, profit margins before exceptional items could only edge up 0.1 percentage point in the first half. For a company spending \$285m (\$390m) a year on restructuring, this is hardly impressive, particularly given the sparkling performances from competitors Procter & Gamble and Nestle.

Surprisingly, this may be good news. Unilever has been both bureaucratic and complacent, but competitive pressures in Europe, followed by the home-grown fiasco of its Parsip Power launch, have acted as a catalyst for change. Mr Niall Fitzgerald, chairman-elect, has introduced a more flexible senior management structure, with greater focus on evaluating where Unilever's vast capital resources

Lucas/Vartiy

After a turbulent courtship, Lucas Industries and Vartiy of the US are about to marry in peace. Lucas shareholders are expected to give their blessing to the \$2.3bn merger on Tuesday and approval from Vartiy's investors should follow 10 days later. With the failure of BBA's mooted takeover of Lucas and fading rumours of a bid for Vartiy, the chances of another suitor storming up the aisle look slim.

Yet the reaction to Lucas/Vartiy, which will be the world's second-largest brakes manufacturer, has been muted. Both shares have underperformed their respective markets by over 5 per cent since the deal was announced at the end of May. One reason has been selling by US investors unwilling to hold shares in what will become a UK-listed group. There have also been worries about current trading following cautious noises from the likes of GKN and T&N. But those

UK results

UK plc is sharply divided at present, judging by first reports from the half-year results season. The banks are doing extremely well, helped by steady loan growth, good cost control and lower bad debt provisions. And shareholders are being rewarded, with dividend increases of 30 per cent and more in some cases, as well as share buy-backs from NatWest and Barclays. The UK's big three drugs companies also turned in strong figures, as did Reed Elsevier, British Petroleum, and TI Group and GKN among the engineers.

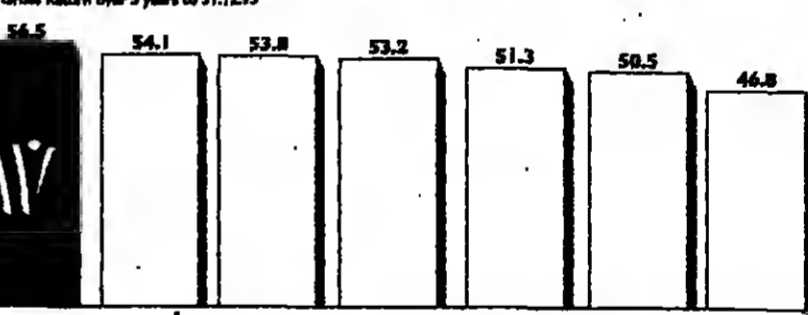
Unfortunately, that is not the whole story. Disappointing second-quarter results from Imperial Chemical Industries and recent profit warnings from Pilkington and Arjo Wiggins Applon show trading remains difficult for many manufacturers, particularly in cyclical industries like chemicals and paper. Across the market, profit downgrades by analysts are still outweighing upgrades. Most forecasts, who expected 1996 to show earnings growth of 10-12 per cent at the start of this year, have had to pare that back to 5-7 per cent.

But investors should take heart as they focus on 1997. Company chairmen have been relatively sanguine on prospects and analysts who have cut this year's estimates have tended to leave next year's untouched. As a result, most expect earnings growth to recover to 10 per cent or better, with matching dividend increases. The approaching election and the health of the US bull market remain worries. But on 13 times next year's earnings with a 4 per cent yield, UK equities do not look expensive.

CONSISTENT OUTPERFORMANCE

WHITTINGDALE - TOP STERLING FUND MANAGER

Average Gross Returns by Fund Manager in the low risk group



WHITTINGDALE MANAGING £1.5bn INSURANCE FUNDS

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